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# PUBLIC POLICY PROGRAM

## QUARTERLY REPORT – Q3

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# COLOMBIA PUBLIC POLICY

## QUARTERLY REPORT – Q3

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**Submitted to:**

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**Prepared by:**

AECOM International Development

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## LIST OF ACRONYMS

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AS	Governmental Agency for Social Action and International Cooperation
BdeO	Bank of Opportunities
CAR	Regional Environmental Authorities
CELI	Consolidation and Enhanced Livelihood Initiative
CIJUS	Center of Socio-Legal Research University of Los Andes
CIMIENOS	Citizens and municipalities invest in Education, Transparency, Health and Safety
CNB	Non-Bank Correspondents
CNCA	National Agriculture Lending Commission
CNRR	National Commission for Reparation and Reconciliation
CONPES	Social and Economic Policy Council
CSDI	Colombia Strategic Development Initiative
CSJ	Supreme Judicial Management Council
CSO	Civil Society Organizations
DAFP	Administrative Department of the Civil Service
DNP	National Planning Department
DT	Demobilized Troops
EITI	Extractive Industries Transparency Initiative
ESAP	National Public Management School
FAG	Agriculture Public Guarantees Fund
FINAGRO	Fund to Finance the Agricultural Sector
GOC	Government of Colombia
GED	<i>Goce Efectivo de Derechos</i>
IDP	Internally Displaced Population
IGAC	Agustin Codazzi Geographical Institute
ILO	International Labor Organization
IMF	International Monetary Fund
INCODER	Colombian Institute for Rural Development
MEH	Ministry of Environment and Housing
MIDAS	Additional Investment for Sustainable Alternative Development
MIJ	Ministry of Interior and Justice
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MOIT	Ministry of Information Technologies
MOTIT	Ministry of Trade, Industry and Tourism
MOT	Ministry of Transportation
MSP	Ministry of Social Protection
NAMA	National Appropriate Mitigation Actions
NCP	National Consolidation Policy
NDP	National Development Plan
NGO	Non-governmental organization
PECS	Payment for Environment and Conservation Services
PILA	<i>Planilla Integrada de Liquidación de Aportes</i>
POT	<i>Planes de Ordenamiento Territorial</i>
PWS	Performance Work Statement
RECs	Regional Environment Commissions
REDD	Reducing Emissions for Deforestation and Degradation
RUAF	<i>Registro Unico de Afiliados</i>

SENA	Colombian National Training Service
SINA	National Environmental System
SINAP	National System of Protected Land and Parks
SNAIDP	National System for Attention of Displaced Population
SNC	<i>Sistema Nacional de Competitividad</i>
TOT	Training of Trainers

## TABLE OF CONTENTS

List of Acronyms.....	ii
Executive Summary.....	2
Component 1: Land Policy.....	5
Component 2: Access to Finance.....	13
Component 3: Policies Toward Conflict-affected Populations.....	21
Component 4: Support for Decentralization and Improved Public and Economic Management.....	29
Component 5: Labor Policy.....	42
Component 6: Environmental Policy.....	48
Program Management and Administration.....	55
Annex I: Quarterly Financial Report.....	57
Annex II: Performance Standards.....	58
Annex III: Deliverables Chart.....	59

## EXECUTIVE SUMMARY

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The USAID Public Policy Program supports the Government of Colombia (GOC) in the design and implementation of key reforms in land and rural development; access to financial services; provision of social services, housing, and improved livelihoods of vulnerable populations; decentralization, improved governance and promotion of local economic growth; labor rights and improved labor markets; and environment and low carbon growth and development.

The Program provides technical assistance and capacity-building support to the GOC with teams of experts, most of which are Colombian, that support GOC officials in the design of cabinet policy documents (CONPES documents), drafting of laws and regulations which are discussed at the cabinet and then presented to Congress for approval, the implementation of institutional reforms, and the design of subsidies and other policy instruments. The Program also supports seminars, workshops, media reports and other activities designed to promote public debate of policy reforms and encourage civil society ownership of the reforms.

### ***Quarter 3 Progress and Results***

During the quarter, the Program and USAID re-evaluated the results and activities established in the original contract work plan and made changes to reflect the new priorities of the Santos Administration and USAID. In this quarterly report, AECOM is reporting on the new Results and Performance Standards found in the work plan approved by USAID in May 2011. As a result, there will be some inconsistencies between the previous quarterly report and this report as we are now reporting on different results and activities. We have also adjusted the performance standard chart found in Annex II to more accurately report on the performance standards achieved in quarters 1 and 2.

During Quarter 3 of the Program, several key reforms were supported and approved by Congress. Prominent among these reforms was the Victims' Law that provides a transitional justice framework to provide emergency relief, integrated attention, and reparations to victims of the Colombian conflict and return land seized violently by illegal armed groups to their rightful owners. This new legislation is probably the most ambitious effort ever undertaken by a state to repair the victims and restitute land of an internal conflict. The implementation of the reform presents many institutional and policy design challenges which will be supported by the Program during the fourth and fifth Quarters of the program.

The Program also supported the constitutional reform of the Royalties Regime. Under the new regime, Colombia will save revenues during periods of high oil and mineral prices and increase investment when the terms of trade deteriorate. More importantly, the reform establishes a new way of allocating royalties across producing and non-producing regions, which will increase the revenues and investment opportunities of Colombia's least developed and poorest regions. The revenues from royalties will be invested in developing secondary and tertiary roads that link markets with producers, providing other vital infrastructure including rails and ports, expanding the provision of social services to improve human capital, and enabling research and development. During Quarter 4, the GOC will introduce a law that establishes the rules for the operation of the different funds through which the GOC will allocate royalties to different regions and purposes. This law was also developed with Program support.

The Program also provided critical support to the development of new legislation that will be introduced in Congress during the summer and fall of 2011. The Program provided technical assistance for the drafting of the Land and Rural Development Law that will establish a new institutional framework to promote efficient and sustainable land use in Colombia; coordinate the supply of GOC social services and business services in rural development areas; enhance rural infrastructure; and link markets and agribusinesses with small farmers. The reform will improve the design of GOC subsidies for agricultural production and reach about 300,000 rural families that are expected to at least double their incomes in the next four years as a result of developing stable long-term business relations with wholesale buyers, agribusinesses, and export markets.

The Program supported the drafting of the new Civil Procedure Code to expedite the execution of loan guarantees and collateral and improve the secure transactions regime in Colombia. The reform will reduce the time needed to make effective a guarantee or collateral by over a year and should reduce congestion in judicial offices and courtrooms, which at this time is the most important hurdle to doing business in Colombia. A more effective secure transactions regime should result in lower interest rates in secured loans and an expansion of lending operations.

Afro-Colombian communities have demanded the implementation of legislation designed to promote the inclusion of Afro-Colombians and ethnic minorities to Colombia's dynamic economy and social and cultural life. With the support of the Program, the GOC developed with Afro-Colombian communities a new bill that creates incentives for employment of Afro-Colombians by private firms, expands financial networks to regions with a large concentration of Afro-Colombians, and creates a well-designed affirmative action framework to expand access of Afro-Colombians to universities and other tertiary education alternatives.

Despite having implemented an ambitious decentralization reform over the past thirty years, Colombia still faces major challenges in clarifying the roles and responsibilities of different levels of government. The Santos administration decided to tackle the reform of the decentralization regime in Colombia by introducing two laws that reform the Departmental regime and the Municipal regime. The Program worked with governors, mayors, and officials from the Ministry of Interior and Justice during Quarter 2 and 3 to draft the new regimes that will be introduced to Congress by the Santos administration in August 2011. The reforms provide a framework to certify the capacity of municipal governments to manage and supply certain social services. When these governments do not meet the established criteria, departments can manage the supply of services.

The Program also supported the development of the Public-Private Partnerships Law. The law, to be introduced in Congress by the GOC in August 2011, develops a new framework for formulating and delivering infrastructure projects with private finance. The new procurement framework will be critical to supplying new infrastructure at the departmental and municipal levels, which are in poor condition or non-existent due to the lack of finance.

During this quarter the Program supported a strategic review of the National Consolidation Plan. This review was conducted by 13 committees that were led by different Vice-Ministers; the results are key inputs to a CONPES document that will be approved by the Cabinet in Quarter 4 or 5. The new policy will require a new institutional arrangement that governs the National Consolidation Plan and that exerts interagency coordination at the regional level. The CONPES document will also include a GOC budget for consolidation zones during the next four years and will mandate the creation of a Consolidation Fund that will finance investments in rapid response, confidence-building community works and infrastructure.

The Program has also provided support to the GOC to design the planning and budgeting mechanism through which the GOC will promote interagency coordination. That mechanism, created by the National Development Plan Law, will be the *Convenio Plan*. The new mechanism plans all the activities and investments required by different GOC agencies, departmental, and municipal governments over a four-year period and commits all signatory authorities to make the investments convened under the *Convenio Plan*. The mechanism will also have special procurement rules to provide flexible implementation of the *Convenio Plan* through public-private partnerships and memorandums of understanding with donor agencies.

The Program has provided support to the GOC to design and develop the Climate Change CONPES document. This document was due to be approved during Quarter 3 but was delayed to the next quarter to ensure the participation of different GOC agencies in the implementation of the new policy.

The Program faces important challenges for Quarter 4. Most prominent is the implementation of the successfully passed Victims' Law, and the design and implementation of the institutional reform of different ministries and GOC agencies. The Program will also support several seminars and workshops designed to encourage civil society participation in the formulation of key GOC initiatives and will support several media publications that will help improve the understanding of critical reforms to be discussed by Congress during Quarter 4 and 5. The Program is beginning to develop manuals and guidelines that will provide a uniform methodology for the implementation of the Victims' Law land restitution procedures and for the implementation of the Land and Rural Development new land formalization framework and the creation of rural development areas. The Program will coordinate with different USAID programs to provide support to activities designed to implement the new GOC policies and reforms at the regional level.



## COMPONENT 1: LAND POLICY

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### OVERVIEW

**Objective:** The Policy Program will support the Government of Colombia (GOC) in the development of land strategies, policies, and legal reforms to achieve four long-term (10-15 years) GOC objectives: a) Formalize and protect the property of families with small landholdings; b) Reinstate property to victims of land seizure by illegally armed groups; c) Provide access to prime arable land through more efficient land markets and well-designed subsidies for poor landless farmers and conflict-affected populations and, d) Design a comprehensive rural development policy to support restituted and other rural communities in the implementation and sustainability of income generation initiatives.

**Background:** Resolving land issues is critical to promoting investment, fostering economic growth, consolidating state presence, promoting licit income generation, and protecting Colombia's rich biodiversity. The newly elected GOC has inherited a series of land-related challenges including: severe inequality in land-holding, high levels of land informality, millions of hectares seized violently by illegal armed groups, a history of failed land reform, high concentration of land holding by few individuals, and inappropriate land use due to lack of land use planning and enforcement. President Santos' administration has shown the political will to tackle these difficult issues. A comprehensive land and rural development policy has been announced that addresses many of the challenges cited above. A land restitution chapter is now incorporated in the Victims' Law. A Land and Rural Development bill is currently being drafted. An Emergency Restitution Plan was implemented as a stop-gap solution while the new law was approved by Congress. In addition, a Land Formalization Program has been created by the Ministry of Agriculture, and a National Land Council is being formed to coordinate policies and programs across sectors. A new rural development framework is being developed that establishes a new institutional framework to coordinate rural development in key regions of Colombia and a new policy that will promote value chains with comparative advantages and partnerships between small producers and wholesale buyers, agribusinesses and international markets.

**Approach:** The Policy Program will build on the momentum generated from the GOC's new land and rural development-related initiatives and will work in coordination with the appropriate GOC entities, including the Ministry of Agriculture (MOA), the Ministry of Interior (MOI), Ministry of Environment and Housing (MOEH), Departamento Nacional de Planeación (DNP), Instituto Colombiano de Desarrollo Rural (INCODER), Instituto Colombiano Agustin Codazzi (IGAC), Consejo Superior de la Judicatura (CSJ) and others. The Program has frontloaded the land policy component activities to be responsive to the existing window of opportunity and the political momentum created by the government to address land and rural development issues. Policy changes will be supported and new legislation promoted and adopted through the use of studies, workshops, surveys, information dissemination, and provision of high-level technical assistance to the GOC. The Program's teams will work in GOC offices directly with GOC officials to produce not only best-practice solutions, but also to strengthen GOC institutional and human resource capacity to tackle the land reform challenges. All our land tasks and activities will incorporate a gender focus from the design stage to ensure that we provide recommendations designed to ensure that women, single parent families, and widows can take effective advantage of the land restitution and land formalization initiatives designed to give land property access to vulnerable populations.

The Policy Program team will work with other USAID programs and other major donors to transfer lessons learned and best practices gathered from USAID's MIDAS pilot projects and international experiences that can be integrated to the national policy framework and regional programs. The Policy Program will provide support to develop manuals and guidelines for the implementation of pilot projects.

The Policy Program will also provide support to civil society organizations (CSO) and media leaders to improve understanding of the land reform initiatives, and will provide technical assistance to improve the ability of these organizations and the media to influence the decision-making process.

The Policy Program will also provide support to the MOA, INCODER, and other relevant institutions on the design and development of a comprehensive rural development strategy to support productive projects and income generation initiatives with a territorial approach, in order to ensure sustainability and maximize the impact of GOC's land policy reforms.

The Program will prepare a gender strategy to ensure that all land activities and proposed policies take into account the specific needs and impact of policy decisions on women and children. Gender specialists will be engaged to review draft laws and provide recommendations and a strategy for designing policies and programs that have a beneficial impact on women and children and do not perpetuate or reinforce existing gender inequalities.

**Synergies with other components and USAID Programs:** As land issues are cross-cutting and their resolution is fundamental to advancement in other technical areas, we will carefully coordinate with other Policy Program components. Coordination will include the following:

***Access to finance:*** Assisting the GOC in the reform of secured transactions and advising on improvements to the land and property registries; supporting the development of innovative financial schemes to promote land acquisitions by landless farmers, IDPs and other conflict-affected populations.

***Policies toward conflict-afflicted populations:*** Supporting the implementation of new IDP policy guidelines; development of a new IDP legal framework that incorporates land issues; implementation of programs that promote income opportunities for vulnerable populations; implementation of GOC policies towards Afro-Colombians and indigenous communities; and promoting the participation of conflict-affected populations in policy design and implementation.

***Support for decentralization and improved public and economic management:*** Improving the cadastre at the municipal and departmental level and supporting improved land use management.

***Environmental policy:*** Implementation of the national bio-diversity plan; strengthening the SINAP; improving the legal and regulatory framework for land use management on indigenous reservations; and assisting in developing a REDD strategy for collective lands and *resguardos*.

## MAJOR ACCOMPLISHMENTS

President Santos signed the Victims' Bill into law on June 10, 2011. The new law contains major recommendations delivered by experts from the USAID Public Policy Program and its predecessor, the USAID MIDAS Program-Policy Component.

The Victims' Law establishes a legal framework for integrated assistance and reparations for the 3.6 million victims<sup>1</sup> of Colombia's internal conflict and enables restitution to those whose land was violently seized by illegally armed groups.<sup>2</sup> This new framework for restitution gives legal advantage to an Internally Displaced Person (IDP) by requiring the land occupier to prove ownership rather than the displaced person. This simplifies the process and eases the economic cost to victims. The program supported the chapter on land restitution, which addresses issues of the appropriation of land by armed groups. the armed groups' tendency of appropriating land of farmers and rural inhabitants, as much as ethnic communities occupying ancestral territories.

The document *Enfoques y Propuestas de la Política de Tierras para la Población Desplazada* was presented to the Constitutional Court on March 16, 2011. It describes the comprehensive land policy for IDPs adopted by the Santos Administration. This document was developed by the *Mesa de Tierras* (Land Roundtable), an interagency working group<sup>3</sup> that has been actively supported by the Program.

Restitution returns rightful ownership of land to those who were violently displaced or who abandoned their land due to the conflict. Colombia has three legal frameworks for restitution: ordinary law, Justice and Peace Law, and the new legal framework established in the Victims' Law. Between 1980 and 2010, approximately 407,000 families were forced to abandon their land, involving approximately six million hectares.<sup>4</sup> These six million hectares include reserve areas and uninhabitable lands, so not all of them will be returned to families. Colombia requires land restitution for security of property rights and justice, investor confidence, and to comply with national and international human rights law.

Definition and identification of RDAs: The first RDA will be implemented in Montes de María and another 11 RDAs will be implemented during the first year (Urabá, Guajira-Cesar, Sur del Tolima, Centro Sur de Nariño, Provincia de Velez, Macarena – Meta, Sumapaz, Sur del Atlantico, Alto Sinu y Costanera de Córdoba, Valle de Tenza, Bajo Cauca). During the second year the GOC will add another 14 RDAs. The implementation methodology maps and fact sheets related to each RDA are being developed.

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<sup>1</sup> Foundation Ideas para la Paz, Dec. 10, 2010, "*Unidades Agrícolas Familiares, Tenencia y abandono forzado de Tierras en Colombia*," p. 144.

<sup>2</sup> The guerrillas and paramilitaries are both illegally armed groups. The guerrillas were created to fight the government and impose a communist regime, and the paramilitaries emerged to fight the guerrillas. Over time, each group's ideological objectives were abandoned and both ended up more interested in dominating land abandoned by its inhabitants due to the conflict, in order to operate drug trafficking businesses and other illegal activities on this land.

<sup>3</sup> Ministry of Agriculture and Rural Development, National Planning Department, Ministry of Justice and Interior, President's Agency for Social Action and International Cooperation. *Enfoques y Propuestas de la Política de Tierras para la Población Desplazada*. Bogotá, March 16th, 2011.

<sup>4</sup> Comisión de Seguimiento a la Política Pública sobre Desplazamiento Forzado. *Cuantificación y Valoración de las Tierras y los Bienes Abandonados o Despojados a la Población Desplazada en Colombia*. Bogotá, January 2011. Pages 11-12. See also: Ministry of Agriculture and Rural Development, National Planning Department, Ministry of Interior and Justice, Acción Social: *Enfoques y Propuestas de la Política de Tierras para la Población Desplazada*. Bogotá, March 16th, 2011, page 10: The national government must attend about 360.000 restitution cases.

About 26% of the Colombian population (nearly 11 million people) is rural, 63% of which live in poverty. Formalization, restitution, consolidation, and other land policy programs are not enough to improve economic conditions. Long-term rural development strategies, especially those that increase agricultural productivity, are necessary to fuel the national economy, achieve lasting security, and sustain land policy implementation. The government has advanced a Rural Development Areas (RDA) strategy that prioritizes key regions in which to revitalize rural economies. Consolidation is best paired with rural development to achieve long-term stability and growth, and security from conflict is necessary for effective RDA implementation. Rural development can also be used to mitigate the effects of climate change on agriculture and should be done responsibly to minimize environmental impact.

## OPPORTUNITIES AND CHALLENGES

Many opportunities and challenges emerged from the passage of the seminal Victims' Law, including the need to create the Special Administrative Unit for Land Restitution within the six months following the signing of the law. Regulation decrees for the implementation of the Law also have to be prepared before December 10, 2011. The Rural Development Bill has the same deadline to be presented to the Congress. Therefore, the Land Component has the challenge of supporting a strategic plan and technical study that will result in the institutional reform needed for the creation of the Special Unit. At the same time the component will support the development of the decree that will rule the reparation and land restitution for ethnic communities, which needs to undergo the *consulta previa* process with representatives of these communities. This decree's failure would imply the failure of the Victims' Law so is crucially important. As for the Rural Development Bill, the Program is actively supporting the Minister of Agriculture to draft the bill and to discuss the text with different stakeholders. This law will also be presented to ethnic communities in order to comply with the constitutional mandate on *consulta previa*.

The Program is supporting coordination between the Ministry of Agriculture and other rural sector institutions which need to be reformed or strengthened, as well as the creation of new entities in order to accomplish the objectives and purposes stated by the draft bill on Rural Development. The main challenge is to support the Ministry in the definition and updating of policies which will in turn be implemented by new or strengthened institutions. Regarding the Land Formalization Program, there is also a clear challenge in the articulation and coordination between institutions with key roles in the land titling process, which the program team will address actively during Q4 to improve support on interagency coordination.

One of the key institutions that will be created is the *Unidad Nacional de Tierras y Agua -UNATA*, which the President's High Commissioner for Good Governance has prioritized and has therefore indicated will be structured under "*Ley de Facultades Extraordinarias*"; this will entail very efficient short-term assistance from the team for the development of its strategic plan.

## RESULTS AND ACTIVITIES

**1.1: Land Restitution Policies developed and implemented; capacity of the GOC to administer a land restitution program strengthened.**

The major accomplishment for this result, as already mentioned, was the passage of the historical Victims' Law and the development of the document "Enfoques y Propuestas de la Política de Tierras para la Población Desplazada." The program also supported an important event on May 24th in which the Comisión Nacional de Reparación y Reconciliación (CNRR) presented the Property Restitution Program, which was developed by the Specialized Technical Committee during 2008-2010 with the support of the Program.

*Plan de Choque:* During the third quarter, the Program's team of legal experts continued supporting the MOA and INCODER in the coordination and implementation of the *Plan de Choque*, recording lessons learned during the process in order to produce key inputs for manuals and guidelines on restitution which will be developed during the following quarters. The restitution component of the Plan seeks to devise and build strategies to restitute land seized by illegal armed groups in land reform areas. The program will generate key knowledge management tools to contribute to the restitution methodology and action plan for implementation of the Victims' Law.

### **1.2: Formalized property rights, streamlined issuing and maintenance of land titles.**

The Program continued its support for the evaluation of experiences of land formalization programs in other countries. During this quarter, international expert Kevin Barthel delivered recommendations on the GOC's Formalization Unit and Program and gave favorable comments on the formalization methodology developed by the Unit, which will be validated in the field with other institutions during the following quarters.

Technical assistance was delivered to develop a draft document outlining principles and guidelines for the land formalization policy and an action plan for the formalization program. This document is a key input to initiate interagency discussions for the construction of a policy document in the next quarters.

The team also supported the development of the draft decree that will reduce formalization costs and delivered recommendations on other regulatory and procedural reforms for vacant land titling and private property formalization, as well as recommendations on property formalization legislation to be included in the general Land and Rural Development bill.

The Policy project supported GoC institutional capacity-building through training of government officials from INCODER, the National Planning Department, the Ministry of Agriculture, and IGAC. Accompanied by a USAID/Colombia official, these government representatives travelled to Quito, Ecuador to participate in a week-long regional training course and to exchange experiences with representatives from other Latin American nations also working on land tenure issues. The land tenure and property rights short course incorporated modules on: (1) governance, administration and land markets, (2) natural resources and bio-diversity protection, (3) women and vulnerable populations' land rights, and (4) conflict over resources and post-conflict land issues. On the final day of the course, the Colombian delegation prepared an action plan describing specific land-related constraints in Colombia and actions to be taken to address those problems.

### **1.3 Geographic System (GIS) designed to support land restitution and formalization policy**

The Program opened a request for a proposal process and is defining the requirements for a public bid by diagnosing problems and developing initial strategic recommendations for the future development of GIS.

### **1.5 Improved land use, access and more efficient land markets**

The draft text of the General Land and Rural Development Bill, containing more than 300 articles, was completed and discussed with the different area directors of MOA, resulting in recommendations for adjustments to be presented to the Minister in Q4. This law includes chapter on land use, access to and more efficient land markets, irrigation, and other matters to be included in Q4.

### **1.7 GOC's Rural development policy adjusted, according to updated regulatory framework and improving management of key government services.**

The MOA will undergo significant changes to adjust to new guidelines on rural development and land policy. The Program is supporting the Secretary General of the Ministry and the President's High Commissioner for Good Governance in the generation of an integrated, holistic view of the rural development sector. The sector comprises not only MOA, but all other linked institutions to perform key functions to implement a policy framework according to institutional arrangements proposed in the General Land and Rural Development bill.

Parallel to the institutional strengthening, and as mentioned previously in the major accomplishments section, the RDA methodology is being defined with support of the Program as an essential tool for the implementation of the Rural Development Policy. With the help of the Program, the first 12 RDAs to be implemented have already been defined and prioritized by the GOC. Selection entailed the development of an action plan that includes the roles and responsibilities of different government levels and institutions, the activities to be rolled out, and the budget and goals to be achieved. It is expected that the action plan will be formalized through a new policy instrument, the *Convenio Plan*. The *Convenio Plan* aims to improve and regulate the coordination between the nation and territories as a budget-management mechanism to improve the implementation of regional development strategies. In order to adjust the policy to deliver public goods to rural populations, the subsidy requests for proposals (or *convocatorias*) are being analyzed with the support of the Program, and a new instrument will be tested and reviewed in Montes de María so it can be replicated in other regions.

With the support of the Program, INCODER's restructuring process is underway, and an initial draft of the new structure was presented to the President's High Commissioner for Good Governance. The diagnosis will be completed in Q4.

The Program has developed a detailed assistance plan with MOA in order to achieve goals set for Q4 and Q5 regarding support to be delivered for rural development policy documents. These documents will contain key recommendations for regulatory strengthening of the value chain policy as well as productive technical assistance, subsidies, and incentives.

### **1.8 Land Policy Support Monitoring and Communications**

The Program's communications team has been strengthened with the ongoing support of a strategic communications international expert. Guidelines and process flows have been established in order to create and maintain a comprehensive set of background documents and communications tools that will be continually updated upon request of the USAID mission. These products will be used to socialize the Program's work and GOC policy within USAID and with other program operators.

## **SUMMARY OF PERFORMANCE STANDARDS ACHIEVED**

### **1.1: Land Restitution Policies developed and implemented; capacity of the GOC to administer a land restitution program strengthened.**

- 1 Document on land restitution policy was supported: *Enfoques y Propuestas de la Política de Tierras para la Población Desplazada*.<sup>5</sup> (CONPES or Equivalent Document)
- 1 Law supported: Law 1448 of 2011 or Victims' Law

### **1.2: Formalized property rights, streamlined issuing and maintenance of land titles.**

- 1 Workshop on land formalization

### **1.3 Geographic System (GIS) designed to support land restitution and formalization policy**

- The Concept paper for the GIS system is under contract and will be completed in Q4

### **1.8 Land Policy Support Monitoring and Communications**

- 10 weekly reports containing updates on the component's activities, relevant events, and news
- GOC strategy for Land and Rural Development
- Guidelines for a framework for M&E, Knowledge Management, and Strategic Communications
- Guidelines for Rural Development Strategy
- Land Property Formalization Methodology
- Frequently Asked Questions: Land and Rural Development in Colombia
- Component's Power Point presentation on land and rural development strategy

## **FOURTH QUARTER PRIORITIES**

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<sup>5</sup> Ministry of Agriculture and Rural Development, National Planning Department, Ministry of Justice and Interior, President's Agency for Social Action and International Cooperation. *Enfoques y Propuestas de la Política de Tierras para la Población Desplazada*. Bogotá, March 16th, 2011.



Some priorities for next quarter were mentioned as challenges, and are mainly related to the regulations and decrees needed for the implementation of the Victims' Law, especially the decree on reparation and land restitution for ethnic communities and the compensation legislation.

The component will carry out a workshop to evaluate land restitution strategies developed under *Plan de Choque*. The team that was supporting the MOA in the development of the *Plan de Choque* will now focus on the high profile restitution processes, especially recording and documenting the legal processes, which will be included in manuals and guides to support successful restitution.

The land formalization team is preparing the methodology for the formalization program, which will include establishing indicators and the baselines for the program.

The public bid and the diagnosis document for the Geographical Information System for restitution and formalization will be developed during Q4.

The Rural Development bill will be discussed during a seminar and workshops supported by the Program; the *consulta previa* process will be defined, and the process is scheduled to start during the next quarter. The team will support the implementation of the RDA methodology in Montes de María as a pilot project in coordination with INCODER.

In order to support the implementation of the rural development policy, the strategic plan of INCODER will be drafted and discussed with the GOC and other experts to generate a document which will guide the new structure and functions. Consultants from the Program will support the Productive Value Chain Policy development and the rural development policy adjustments and will work together with MOA to deliver assistance on key prioritized areas. This in turn will support the implementation of RDA methodology in the regions.



## COMPONENT 2: ACCESS TO FINANCE

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### OVERVIEW

**Overall Objective:** The USAID Public Policy Program will accompany GOC-led finance reform to continue improving access to finance in rural areas and for vulnerable populations; promote an appropriate regulatory environment through direct assistance to GOC institutions; implement innovative distribution channels to expand financial networks; introduce new financial products and access to financial services for vulnerable populations. As a result of the revision of the Program's SOW with the GOC, three important activities have been inserted: ongoing support to the Financial Regulation Area of the Ministry of Finance, support to the Financial Superintendent and technical assistance to *Banco Agrario*. The new activities are of critical importance because the first two entities are in the process of defining the orientation of the financial inclusion policy for the next years, and *Banco Agrario* is key to the implementation of the access to finance policy for the agriculture sector.

The Access to Finance component will also assist *Banca de las Oportunidades* (BDO) in the design and implementation of policies and instruments to introduce new financial products targeted to rural, low income, and vulnerable populations; the Ministry of Interior and Justice in the design of policies to facilitate access to financial services to victims and in the reform of the Code of Civil Procedure regarding the enforcement of guarantees; the Ministry of Trade, Industry and Tourism and the Societies Superintendent in the reform of the collateral regime; and entities related to the agriculture sector to improve agriculture lending and develop financial instruments to facilitate long-gestation crops financing.

**Background:** The National Development Plan 2010-2014, issued by DNP, proposes the expansion of financial services towards rural and low-income populations. Specifically, the new policy framework for equal opportunity and social prosperity, proposes a financial inclusion policy and the implementation of innovative distribution channels to reach populations in rural and remote areas. The Public Policy Program aims to contribute and support these government objectives.

**Approach:** The Public Policy Program will support the GOC in the implementation of key pending reforms to improve access to finance. To build support for reform priorities and assist during the reform design stage, the Program will support international seminars and workshops with GOC officials, Congress, magistrates, and civil society organizations on best practices in collateral reform, interest rate caps, mobile banking and electronic wallets. The Component team will provide assistance and background for discussions on policy orientation, disseminate information on international experiences and best practices transmit international experiences, and disseminate lessons learned in the past and in other countries. The Component team will provide assistance on legal reforms and implementing decrees, and continue to support design and implementation of *Banca de las Oportunidades*, *Banco Agrario*, and other GOC agencies.

**Synergies with other components and USAID Programs:** The Access to Finance component supports and facilitates the results of other components of the Policy Program:

***Access to land:***

- Design instruments and promote access to financial services for farmers.
- Economic stabilization and income opportunities to returnees, through policy instruments and incentives for the implementation of micro agriculture loans, village banking, and self-help groups.
- Promote the expansion of the financial sector through low-cost distribution channels, such as CNBs, mobile banking, and/or electronic wallets.
- Long-term financing options for agricultural production; agricultural insurance; crop securitization schemes and venture capital for the rural sector.
- Stimulate agriculture lending through reforms to the collateral regime and interest rate caps.

***Policies towards conflict-affected populations:***

- Promote access to financial services for victims and other conflict-affected populations.
- Design and implement policy instruments to increase supply of credit, insurance, payments and transfers to vulnerable populations.
- Improve access to finance for Afro-Colombians and indigenous population through support to *Banca de las Oportunidades* and provision of financial instruments that meet the needs of these groups.
- Promote savings through support to BdeO in the design and implementation of incentives for new financial products such as savings “self-help groups”.

***Decentralization and Improved Public and Economic Management:*** Promote rural development by implementing innovative distribution channels and improving access to finance.

***Environmental issues:*** Promote environmental conservation by developing incentives for vulnerable populations to provide environmental services or engage in bio-trading activities.

***Counterpart Interfaces:*** *Banca de las Oportunidades*, Ministry of Finance, Financial Superintendence, Ministry of Agriculture, *Banco Agrario*, *Finagro*, Ministry of Interior and Justice, Societies Superintendent, Ministry of Trade, National Planning Department, and Social High Commission for Social Prosperity.

## **MAJOR ACCOMPLISHMENTS**

Designed and implemented seven pilot programs to pay *Familias en Acción* subsidies, using mobile phones as part of the technical assistance provided to *Acción Social* and *Banca de las Oportunidades*. The purpose of the pilots is to test two models of financial transactions using mobile phones: an account lead model (Av Villas) and an e-wallet model (Davivienda), also to learn about the preferences of the customers, which in this case are the mothers of *Familias en Acción* which receive the subsidies. The pilots are being implemented in Cali, Ríoacha, and Apartadó with Davivienda; Medellín and Floridablanca with AV Villas; and both entities offered the payment in Cartagena and Barrancabermeja. The pilot began in June, and the first payment of subsidies will be made in August.

Organization of two workshops as part of the technical assistance to *Acción Social* and *Banca de las Oportunidades*: one in April 26, on the benefits of mobile phones to make Conditional Cash Transfers (CCTs), such as subsidies to financial institutions (FI). In this workshop, the Program presented the mobile phones pilot to be implemented with *Familias in Acción* and invited FI to participate in the pilot program. This workshop was attended by 50 participants. The other was conducted on June 13 on the topic of micro savings. The purpose of this workshop was to present successful international experiences and lessons learned to FI and to encourage them to receive technical assistance to implement micro savings products in Colombia. This workshop was attended by 35 participants.

Design of a policy instrument to create incentives for the implementation of life micro-insurance for Red Unidos beneficiaries, as part of the technical assistance provided to *Banca de las Oportunidades*. The incentive was redesigned to promote the participation of more insurance companies.

## OPPORTUNITIES AND CHALLENGES

The main opportunity during Q3 was to garner the confidence of the GOC. The government entities perceive the support provided by the USAID Public Policy Program as very valuable and useful to offer them an objective and international perspective, demonstrating possible impacts and implications on the implementation of financial policies. The government of Colombia also recognizes the Program's value in helping them generate advocacy in favor of reforms. On the other hand, the main challenge has been to adjust the activities of the PWS to the agenda and priorities of the GOC. The main value of the international cooperation offered by USAID is to provide opportune technical assistance to the GOC and this has meant carrying out activities that were not included in the PWS. It has been also difficult to initiate the technical assistance in agriculture finance to the MOA due to the priority of the Ministry in attending to the Victims' Law. The Program expects to begin technical assistance to the Ministry in Q4 as well as to initiate technical assistance to *Banco Agrario* in microfinance, due to changes in the Commercial VP of the Bank.

## RESULTS AND ACTIVITIES:

### 2.1: Guarantee Requirements and Collateral Regime Reformed.

During the third quarter, the Program's team of experts continued supporting the Societies Superintendence and the MOTIT in establishing a modern secured transactions regime. The new regime will have an expeditious legal procedure to execute loan guarantees and will allow lenders to use moveable goods as loan collaterals. The secured or asset-based finance will:

- Enable private capital to be used as loans to create new businesses and expand existing businesses.
- Increase credit security, reducing credit risk and consequently decreasing lenders' disincentives to issue more loans with better terms.
- Provide lenders with an alternative to recover the loan if the borrower fails to perform.

In Colombia, there is a limited amount of property that can be used as collateral. There is no registry system with information on the status of collateral, and the mechanisms to enforce collection are costly and take several years. As a result, SMEs have limited access to credit, and Colombia has a poor rating in

this area of the Doing Business Report prepared by the World Bank. The objective of the reform is to facilitate access to credit for SMEs, small producers and micro entrepreneurs, through the establishment of a modern secured financing regime. The reform has three components:

- Expand the list of items that can be used as collateral to include: inventory, equipment, crops, intellectual property, and consumer goods.
- Create a registry to register claims against movable property so they are publicly recorded and easily accessed.
- Expedite the process of enforcement of guarantees: provide mechanisms for effective enforcement of rights.

The Program supports the establishment of a modern secured financing regime by:

- Presenting proposals to provide mechanisms for effective enforcement of secured transactions.
- Making recommendations for the design and establishment of a modern secured financing regime.
- Advocating in favor of the reform.

The key Program activities during Q3 included the development of recommendations on the reform of the Code Civil Procedure Code (CCP) regarding the enforcement of guarantees. These recommendations were presented to the Commission created by the GOC to propose a modern secured financing regime and to the *Instituto Colombiano de Derecho Procesal* (ICDP), delegated by the MIJ to draft the reform of the CCP and participate in the discussions in Congress. Some of the proposals were included in the draft law, and the discussion will continue during the next months. Additionally, three documents with analysis, recommendations, and proposals to modify the Code of Civil Procedure were delivered to Societies Superintendence and MOTIT, and the Program made a presentation on the benefits and challenges of a new secured transactions regime.

## **2.2: Reform of Interest Rate Caps.**

During the third quarter, the Program's team of experts continued supporting the Ministry of Finance and the Financial Superintendent in the definition of the objectives and expected results of a study of interest rates, which will be used as an instrument to modify the regulation of current interest rate caps. The importance of modifying the interest rates is:

- In Colombia the government has capped the annual interest rate that financial institutions can charge to microcredit and consumption credit.
- Financial institutions typically have wafer-thin margins because of the high costs of making and collecting payments of tiny loans.
- Interest rate caps jeopardize their ability to disburse credit to the population in the bottom of the pyramid and hamper their ability to harness economies of scale in order to lower transaction costs.
- Capping rates would also deter new entrants and reduce competition.
- Restricting people's access to microcredit by capping rates has the perverse effect of driving more poor people into the arms of loan-sharks.

The Program supports the modification of the current regulation of interest rates caps by:

- Developing a study of the effect of interest rates caps in Colombia, which will be carried out by *Fedesarrollo*.
- Providing recommendations on the regulatory development required to modify the interest rate caps.
- Facilitating workshops to generate advocacy in favor of the reforms.

During Q3 the Program discussed the contents and scope of the study to reform interest rate caps of microcredit and consumption with MOF, Financial Superintendence and *Fedesarrollo*. The discussion included the period to be analyzed, sources of information, and type of credits to be analyzed for: regulated financial institutions, microfinance NGOs and consumer credit.

### **2.3: Taxes and Cost of Financial Services in Rural Areas Reduced.**

During the third quarter, the Program's team of experts provided ongoing support to the MOF, *Banca de las Oportunidades* (BDO), and *Acción Social*. The key Program activities during Q3 included:

- Ongoing support in the design of the financial inclusion policy.
- Models of financial transactions through mobile phones implemented in other countries.
- Regulation developed in other countries, regarding e-wallets, mobile banking, and low-value payment networks.
- Design and implementation of a pilot program to pay *Familias en Acción* subsidies using mobile phones.
- Proposal of a pilot program using mobile phones to private companies, such as Bavaria, with a large distribution network of small shop owners to test different models of implementing mobile phones as a tool to make financial transactions. The initiative would also obtain information about the informal sector and about the incentives and policy instruments that need to be designed to formalize them in the future.

During Q3 the Program made presentations about mobile banking, new distribution channels, and electronic payments to MOF and Bavaria. The team also wrote a supporting document to draft regulation by the Superintendence to unify and extend the Non-Bank Branch model to the financial sector, foreign exchange, and international money remitters and stock exchange brokers.

### **2.4: Small Savings Collection Encouraged.**

During Q3 the Program provided ongoing support to *Acción Social* and BDO regarding follow up of pilot project to promote savings culture with beneficiaries of *Familias en Acción* in order to design its rollout strategy.

### **2.5: Long-term financing options developed for agricultural production.**

During Q3 the Program contacted experts from Mexico, a country that has one of the best experiences using agricultural insurance to recover from natural disasters. The Program invited the Secretary of Agriculture of Mexico and its experts to come to Colombia to a workshop on how to implement this kind of insurance in Colombia. The Secretary confirmed the assistance of a team of experts.

### **2.6: Banco Agrario modernized.**

During Q3 the Program made a presentation to *Banco Agrario's* vice presidents on the topic of microfinance as the commencement of technical assistance to the Bank in this area. As a result, a work plan will be presented to the Bank's president for its approval. The Program also provided strategic orientation about the expansion of the life micro-insurance product.

## **2.7: Increased supply of credit, insurance, payments and transfers to vulnerable populations.**

- Ongoing support to BDO in the design of second tender process to promote micro-insurance in Red Unidos beneficiaries.
- Ongoing support to BDO in the design of an incentive to promote the implementation of microsavings in financial institutions.
- Ongoing support to BDO and FNG in the design of a guarantee scheme for those affected by floods, looking for enhancement from DCA.
- Recommendations made to the Financial Superintendence about the definition and approval of TA with funds from IADB and GIZ on micro-insurance regulation assessment.

The program delivered two documents, one with the design of a tender process to bring technical assistance to new operators for Self Help Group Methodology and one about the design of a new savings mechanism of Self Help Groups in their graduation to formal financial products.

## **SUMMARY OF PERFORMANCE STANDARD ACHIEVED:**

### **2.1: Guarantee Requirements and Collateral Regime Reformed.**

Organization of two Seminars on "Modern Mechanisms for Accessing Credit," one in Bogotá (June 2) and other in Medellín (June 3), as part of the support provided to the Societies Superintendent to inform the reform of the secure transactions regime. The objective of these seminars was to improve understanding of the draft bill that will reform the secured transactions regime which will be presented by the GOC in August. The Program brought José Ma. Garrido, expert from the World Bank, who is supervising the implementation of the secured transactions regime in more than 20 countries, and Gregorio Arévalo from IDB who presented the lessons learned from the Peru experience. The seminars were attended by more than 200 people in Bogotá and more than 100 in Medellín.

### **2.3: Taxes and Cost of Financial Services in Rural Areas Reduced.**

Organized a workshop on mobile banking to promote new distribution channels (Task 2.3.1); this workshop was attended by 50 people.

### **2.4: Small Savings Collection Encouraged.**

- Design and implementation of seven pilot programs to pay Familias en Acción subsidies, using mobile phones as part of the technical assistance provided to Acción Social and BDO. The purpose of the pilots is to test two models of financial transactions using mobile phones: an account based model (Av Villas) and an e-wallet model (Davivienda), also to learn about the preferences of the customers,

which in this case are the mothers of Familias en Acción which receive the subsidies. The pilots are being implemented in Cali, Ríohacha and Apartadó with Davivienda; Medellín and Floridablanca with AV Villas; and both entities offered the payment in Cartagena and Barrancabermeja. The pilot began in June and the first payment of subsidies will be made in August 2.

- Design of a policy instrument for BDO to promote access to life microinsurance for Red Unidos beneficiaries (people living in extreme poverty conditions). The incentive encourages broad participation of more insurance companies in the supply of this service and targets GOC subsidies to poor populations, ethnic minorities, and victims.

## **2.7: Increased supply of credit, insurance, payments and transfers to vulnerable populations.**

- The Program held a workshop on savings for 30 people (2.7.2).

Performance standards under 2.1 will be completed in Q4.

## **FOURTH QUARTER PRIORITIES:**

### **2.1: Guarantee Requirements and Collateral Regime Reformed.**

- Organize a workshop with ICP to promote the discussion about the judicial or extrajudicial enforcement of guarantees.
- Support the legislative process for the reform of the CCP, regarding the enforcement of guarantees.
- Support the drafting of regulations for the reform of the secured financing regime.

### **2.2: Reform of Interest Rate Caps.**

- Carry out an assessment of the effects and consequences of the system currently applied to calculate interest rate caps. Make recommendations and propose solutions to avoid the distortions arising from the calculation system used and to minimize adverse effects on access to financial services for low-income populations, due to the existence of interest rate caps in Colombia.

### **2.3: Taxes and Cost of Financial Services in Rural Areas Reduced.**

- Continue providing ongoing support to MOF, BDO and FS in the design of the financial inclusion policy, and the regulatory developments for:
- E-money: includes e-wallets, remittances and low-payment networks.
- Formalization: informal sector, cash collectors, tax issues and social security issues.

### **2.4: Small Savings Collection Encouraged.**

- Provide ongoing support to *Acción Social* in the design and implementation of a policy instrument to promote the implementation of micro-savings.

### **2.5: Long-term financing options developed for Agricultural production.**



- 1 Seminar at the international fair “Agroexpo” on the experience of Mexico in the implementation of agricultural insurance with the assistance of local governors, agricultural associations, insurance companies and GOC officials, among others.
- 4 Workshops about agricultural insurance to recover from natural disasters with GOC officials and the insurance sector.
- Analyze the agricultural financing system to develop recommendations for GOC policy designed to expand access to agriculture and livestock-related financial services.

#### **2.6: Banco Agrario modernized.**

- Initiate support to *Banco Agrario* to adopt an improved governance arrangement and enhance its systems and institutional structure to provide better financial services to rural populations.
- Began technical assistance to the Bank to promote expansion of microfinance products to small farmers and vulnerable populations in underserved areas of Colombia, including RDAs.

#### **2.7: Increased supply of credit, insurance, payments and transfers to vulnerable populations.**

- Provide ongoing support to BDO in the implementation of the policy instrument to promote the implementation of micro-savings products within FI, through technical assistance to the FI.



## COMPONENT 3: POLICIES TOWARD CONFLICT-AFFECTED POPULATIONS

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### OVERVIEW

The Public Policy Program will provide comprehensive support and technical assistance to the GOC's implementation of the Victims' Law and IDP policy frameworks. A team of multidisciplinary experts will support strengthening GOC capacity to prevent new displacements and violations of human rights, and provide emergency relief, integral attention, and reparations to victims, including IDPs. The Program will assist the GOC in developing the GOC agency that will register, coordinate service delivery and make reparations to victims. Special emphasis will be placed on providing assistance to establish the criteria for differential treatment to victims, Afro-Colombians, and indigenous populations and develop a flexible response approach to GOC service delivery. Our teams will support the development of budgeting procedures consistent with a flexible response approach to victims' needs and the development of adequate interagency planning, program monitoring, and impact evaluation procedures.

The Program team will also support the adoption of new legislation and GOC policy for Persons with Disabilities (PWD). The new legal framework will be consistent with the UN Convention on PWDs. In turn, the Program will provide support the Office of the Vice President, the Ministry of Social Protection, and Red UNIDOS to improve information and characterize PWDs, determine their needs, and adjust GOC programs and service delivery to meet the needs of PWDs.

The Program will provide comprehensive support to the GOC to develop affirmative action procedures and other policy instruments to encourage the inclusion of ethnic minorities and generate sustainable livelihoods for these population groups. The Program will place emphasis on supporting the design of procedures to provide incentives to improve the access of Afro-Colombian and indigenous populations to tertiary education, extend financial networks, and business services to areas with Afro-Colombian and indigenous populations, and improve opportunities for employment and sustainable income for these communities. The Program will also provide technical assistance to DNP, the Ministry of Interior, and other GOC ministries and agencies to develop criteria to make GOC service delivery and the implementation of GOC programs for Afro-Colombians and indigenous populations more in tune with the needs and values of these communities. As part of this effort, the Program will assist the GOC in establishing differentiated attention in GOC programs for Afro-Colombian and indigenous communities and ensuring that service delivery is pertinent to the views and values of these communities. The Program will provide assistance to the GOC implementation of CONPES Document 3660 that establishes the policy for Afro-Colombians, and will assist in the design of a policy framework for the indigenous population. The Program will also serve as the technical secretariat of the GOC interagency committees that will coordinate the response of GOC agencies to Afro-Colombian and indigenous communities and the implementation of the Prosperity Agreements signed between different GOC agencies and ethnic minorities during the drafting of the National Development Plan. The Program will provide technical assistance to the GOC and Congress to adopt a series of key reforms for ethnic minorities, including the social inclusion and Affirmative Action Bill and the law that regulates the previous consultation process

(Consulta Previa) with ethnic minorities. The Program will also provide assistance to draft and discuss the implementing decrees of Law 70 of 1993 that establishes the guidelines for Afro-Colombian community lands and will support the GOC efforts to develop a comprehensive policy for the indigenous population.

The Policy Program will support the implementation of CONPES 3616 developed to promote sustainable livelihoods and income opportunities for vulnerable populations and Colombians under extreme poverty conditions. The Program will provide technical assistance to the High Commissioner for Social Prosperity, DNP, and other GOC agencies to improve the access of vulnerable populations to financing, producer technical assistance, and training. In addition, the Program will provide technical assistance and capacity-building support to design incentives and policy instruments to develop business linkages between vulnerable populations and market-led value chains and large buyers for sustainable incomes. As part of this effort, the Public Policy Program will provide technical assistance to and promote Public-Private Partnerships (PPP) to generate sustainable livelihoods for vulnerable populations. Through these alliances, we expect to leverage \$50M from private institutions to support land acquisition, information technology and other community infrastructure development, and education and culture programs.

To promote the reintegration of conflict-affected populations to community life and cease their displacement condition, the Program will provide technical assistance to incentivize and make compatible GOC social policies for the poor with GOC delivery of services and reparations to victims. The Program will provide assistance to strengthen the design of GOC IDP emergency relief, return, and relocation programs to ensure that both IDPs and communities receiving IDPs enjoy adequate access to service delivery. To this end, the Program will provide recommendations to develop a territorial approach to service delivery to ensure that GOC programs invest in the development of communities that suffered displacement or are receiving IDPs. These investments will be designed to encourage bonding between conflict-affected populations and the wider community to rebuild the social fabric.

The Program will build on the new victims' legislation and the Constitutional Court AUTOS and GOC responses to these rulings to provide comprehensive support to the GOC Program for integral attention and reparations to victims. Special effort will be placed on integrating the GOC social protection programs designed to overcome extreme poverty and poverty in Colombia with the GOC integral attention and reparations programs for victims. On the supply GOC services to victims, the Program will provide support to make GOC programs and service delivery more flexible and incorporate a meaningful differential approach designed to ensure that victims fully exercise their constitutional rights. On the demand side, the Program will support the integration of IDPs and other victims to Red UNIDOS to map their needs and track progress until their displacement condition ceases. The integration of GOC service delivery networks ensures that victims and IDPs programs effectively reach these communities, that GOC response effectively meets the needs of vulnerable populations, that progress in meeting the rights of conflict affected population is monitored and evaluated, that IDPs cease in their condition of displacement, and that communities affected by the conflict rebuild their bonds and social fabric.

The Program will make special efforts to ensure that GOC policies towards ethnic minorities are pertinent to the values and heritage of these communities and that special action is taken to promote the inclusion of ethnic minorities into the broader society. Given the particular conditions of community property and collective values of Afro-Colombian and indigenous communities, the Program will provide support to make GOC service delivery more in tune with these values. To this end, the Program will

provide assistance to the different GOC agencies and interagency coordination mechanisms to redesign how GOC programs operate in community lands and indigenous reserves. Similarly, the Program will provide support to the GOC to develop special policy instruments to extend service networks and institutions to neighborhoods and areas where there is a large concentration of Afro-Colombian and indigenous communities underserved in Colombian cities.

In recent decades Colombia has made considerable progress in improving the access of vulnerable populations and the poor to social services. However, these groups and entire communities remain poor due to limited opportunities to generate sustainable income opportunities. The Program will provide broad support to the GOC to implement CONPES document 3616 and the National Prosperity Plan to generate sustainable incomes for the poor and vulnerable population of the country. The Program teams will provide assistance at several levels. First, the Program will provide assistance to develop a conceptual framework designed to identify the local development traps that limit business opportunities and discourage investment in rural areas and poor urban neighborhoods. The Program will also provide assistance to extend financial networks, training, and business services to areas where poor and vulnerable populations are located and formalize their property and assets. Finally, the Program will provide assistance to develop policy instruments and mechanisms to generate business ties between micro, SMEs and small farmers and large buyers, agribusinesses, and competitive value chains to generate sustainable businesses and income opportunities for the poor and vulnerable populations. As part of these efforts, the Program will place emphasis on providing assistance to the GOC to create inclusive business approaches, promote social responsibility, and encourage social innovation.

## **MAJOR ACCOMPLISHMENTS**

The Program has set up several inter-agency committees for IPDs and ethnic group policies with all ministries or institutions involved in each subject to plan technical assistance activities, develop scopes of work, select the best-suited experts for the different activities, and perform follow-up on activities supported by the Program. These meetings function as spaces for coordination and accountability where all public stakeholders give feedback as a complement to the work done, which legitimates and validates the role of the Program in the reforms the GOC is pursuing.

It is important to highlight that these committees are not institutional; although there is a coordination system for IDPs (and none for ethnic groups) it is not currently working effectively. It is a characteristic of the GOC not to work in permanent communication; instead, public agencies tend to push their own agendas towards the goals they must accomplish without permanent synchronization. The Program, conscious of this fact and with the aim of avoiding disinformation about its role in the design of all these policies, proposed these committees to which the GOC has responded positively.

The Program provides key support to two critical initiatives. Together with the Finance Component and the Land and Rural development Component, the Program provided comprehensive support to the GOC to enhance the Victims' Law approved by Congress during Quarter 3. The Program recommendations enhanced the chapters on the debts of victims, the period of performance of the law, the definition of "victim," and the land restitution procedures.

The Program also supported the bill that promotes the inclusion of Afro-Colombians into Colombia's social and economic activity. This bill contains a chapter on affirmative action in education to promote the access of Afro-Colombians to universities and tertiary education institutions. It also includes provisions to expand financial access and promote employment. The bill will be introduced to Congress in August 2011 after it went through an extensive consultation process with ethnic minorities during Q3.

## **OPPORTUNITIES AND CHALLENGES**

The major challenges are related to Result 3.3 Improved livelihoods and income opportunities for Conflict-Affected population and Result 3.5 Participation of conflict-affected populations in policy and program design.

The current institutional framework for livelihoods policies for vulnerable populations is not clear. The related white paper, CONPES 3616, proposed a series of policy recommendations for every agency in order to strengthen actions towards this matter. Nevertheless, this document did not design nor determine the institutional arrangement; it did not establish with clarity responsibilities and competencies causing distortions in leadership within the GOC about this subject, hence the Program lacks an identified partner to progress on this agenda.

Despite this obstacle, the Program is working closely with the High Commission for Good Governance, which is in charge of coordinating each institutional reform the GOC is currently designing in order to make sure that livelihood policies are considered in new institutional arrangements. In the meantime, the Program is supporting the design of rural strategies to improve income generation within the framework of the new rural development policies (Component 1).

Regarding participation, although the Constitutional Court and the Victims' Law have included participation as a pivotal activity for IDPs, the GOC still has not made any progress on this matter. We will propose venues to discuss best international and national practice as a mechanism to push the GOC towards the definition of strategies to improve the participation of IDPs.

## **PROGRAM ACTIVITIES:**

### **Result 3.1: Comprehensive policy and institutional frameworks to prevent displacement and provide relief, integral support and reparations to IDPs and Victims**

During the third quarter, the Program supported the GOC in the design of the Victims' Law and started the development of decrees for indigenous and Afro-Colombians affected by the internal conflict. The content of this law determines, among other issues, the reparation measures through which victims will enjoy the fulfillment of their rights. This legal instrument also proposes a new institutional framework intended to improve coordination and service delivery for victims.

The Program will support the design of this new institution, instruments to improve coordination between the central and local levels, and other tools intended to strengthen the delivery of integral attention and reparation for victims, implementing a differentiated approach to IDPs, Afro-Colombians and indigenous populations, all of which constitute challenges for the GOC.

Within this new framework the Program will begin implementation of the following specific actions:

- Fiscal cost of assistance to IDPs.
- Design of a methodology to estimate the cost of IDP policies and programs. This quantification will detail the fiscal effort the Central Government is doing to bring attention to IDPs, based on data of past administrative reports and registration, excluding future displacements and demographic changes of the current population.
- Housing for IDPs.
- Together with the Ministry of Environment and Housing, the Program has started the design and formulation of a decree which will propose a variety of instruments to improve service delivery of housing solutions for IDPs in Colombia.
- Central – Local coordination in IDP policy implementation.
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The Ministry of Interior and Justice has the responsibility to coordinate actions with local authorities. In order to fulfill this task, the Program is supporting the GOC in the design of the following instruments:

- Certification of municipalities and regions in the attention of IDPs.
- Indicators and the ranking to assess the performance of a municipality in the attention to IDPs.
- Mechanisms to determine responsibilities of municipalities in the implementation of IDP policies and programs.

### **Result 3.2: Strengthen the PWD Policy Framework**

By May 10, 2011, Colombia ratified the UN Convention on the Rights of Persons with Disabilities, introducing greater challenges for Colombia. The decision signified a paradigm shift on disability as a human right, necessitating a new institutional arrangement to be discussed, designed, and implemented with civil society organizations.

The GOC is currently working on the design of a decree that proposes adjustments to the institutional framework and a law proposing affirmative action measures. However, it has very low consensus among civil society organizations and representatives of people with disabilities and therefore hasn't been circulated within government agencies.

Due to these contingencies, the Program will support the construction of the law and the decree starting with a workshop with the members of the National Council for Disabilities, representatives of civil society, and government officers responsible or involved in this issue. The first workshop took place 7<sup>th</sup> of June, 2011.

### **Result 3.3: Improved livelihoods and income opportunities for Conflict-Affected population**

By the end of May 2011, the National Department of Planning (DNP) finished a consultancy which proposes an institutional arrangement for the design, coordination, and implementation of income generation policies for the extreme poor and IDPs. Since this date, the DNP has been sharing the main findings of the consultancy and has been negotiating within the GOC agencies on behalf of the best institutional framework.

The Program will support the design of a model of income generation specially focused on the rural context. The first exercise will be a workshop where the objective is to conduct critical analysis of the “Inclusive Business” model for income generation; the purpose will be to question to what extent this model is useful to improve IDPs’ income generation and identify the basic elements necessary to make inclusive business work for vulnerable populations in Colombia.

### **Result 3.4: Policy framework designed to encourage inclusion and cohesion of ethnic minorities and service delivery improved for Afro-Colombians and Indigenous populations**

As well as in the Result for IDPs, the political reforms for ethnic groups are coordinated within a technical group constituted by DNP (Local Sustainable Development Unit), Presidency Programs for Ethnic Groups, Ministry of Interior and Justice (Afro, Indigenous and Previous Consultancy Groups) and INCODER. The motivation to create this group was to guarantee interagency coordination, technical discussions of reforms pursued, and to monitor progress.

The technical group will have a secretariat provided by the Program whose responsibilities will be to coordinate the different agencies in the implementation of actions.

During this quarter the Program coordinated with the Ministry of Interior and Justice the design and formulation of the affirmative action law for Afro-Colombian population. The law includes issues such as education and labor inclusion, political participation, recognition of collective territories, and reinforced identity among other aspects. Once the law is agreed upon within GOC agencies, it will go through the *Consulta Previa* process, not only because is a constitutional mandate but also because it is essential to receive feedback from communities. It is important to clarify that this process will not be financed by the Program due to the high cost and the lack of resources to support it; however, the Program will support the consultancy.

Regarding the *Consulta Previa* process, the Program held a meeting with the team from the Ministry of Interior and Justice and reached an agreement promoting a law to regulate the consultation. The first task the Ministry was responsible for was the definition of terms of reference for the group of specialists that would design the law. The Program has received very poor response from the team in the Ministry, affecting progress in this task. This issue will be elevated to the Vice-Minister of Interior in order to remove the obstacles and move forward.

## **SUMMARY OF PERFORMANCE STANDARDS ACHIEVED**

### **Result 3.1: Comprehensive policy and institutional frameworks to prevent displacement and provide relief, integral support and reparations to IDPs and Victims**

- Input for Victims' Law

### **Result 3.4: Policy framework designed to encourage inclusion and cohesion of ethnic minorities and service delivery improved for Afro-Colombians and Indigenous populations**

- Input for Affirmative Action Law for Afro-Colombians

Scheduled but not performed: Workshop on graduation criteria will be held starting next quarter.

## **FOURTH QUARTER PRIORITIES**

### **Result 3.1: Comprehensive policy and institutional frameworks to prevent displacement and provide relief, integral support and reparations to IDPs and Victims**

The Component has the challenge of successfully completing the actions previously mentioned, and establish the next steps to effectively guide the GOC in the improvement of services and the attention to IDPs (at the national and local level). The Program will initiate other activities to support the GOC in the designing of:

- Decrees for the Victims' Law for Afro-Colombians and Indigenous Communities.
- Institutional arrangement: the Victims' Law establishes the creation of a Victims' Unit and a Center that will seek truth about the conflict in Colombia and will produce the historic memoir of the events that Colombians do not wish to repeat. These institutions will be part of the Administrative Department for Social Inclusion, which will ensure that victims have adequate access to GOC services and welfare and social protection programs. The Victims' Unit will be responsible for the integral attention and reparation to victims providing differentiated treatment to IDPs and other victims. The Program will support the development of policy instruments for the new agency.
- Workshops and seminars to discuss vulnerability concept and the cessation of this condition.
- These concepts (vulnerability and cessation) will support the harmonization of the *InfoUnidos* to provide reliable information in monitoring the fulfillment of IDPs' rights (GED).
- Inclusion of instruments in the National Plan for Integral Attention and Reparations to Victims, differentiated approach to IDPs.
- Manuals for mayors to train the new Law for Victims.

### **Result 3.2: Strengthen the PWD Policy Framework**

During Q4 the Program will support the GOC in the construction of the law and the decree for affirmative action as well as changes in institutional arrangements facilitating venues for discussions and consensus.



The Program will provide assistance to the Ministry of Interior and Justice in developing the new legal framework on PWDs and ensure that the proposed legislation fully meets the UN Convention on PWDs.

During the next quarter the Program will also begin actions to design instruments for disabilities local committees in order to strengthen local capacity in the implementation of this policy.

### **Result 3.3: Improved livelihoods and income opportunities for Conflict-Affected population**

In the last part of the first year, the Program will work with the GOC in the implementation of an institutional arrangement organizing workshops to discuss the role of the private sector and the mechanisms or models which will improve income generation among IDPs and other vulnerable populations.

In the next quarter the Program will make recommendations to include vulnerable populations in value chains and bring sustainability to income generation through entrepreneurship. Moreover, the Program will also start working on the analysis of economic inclusion in an urban context and the mechanisms to improve human capital and employment.

### **Result 3.4: Policy framework designed to encourage inclusion and cohesion of ethnic minorities and service delivery improved for Afro-Colombians and Indigenous populations**

The Program will continue to support the affirmative action law for the Afro-Colombian population after consultation within government agencies. The technical secretariat for the coordination group for ethnic issues will give reports of progress on the agenda established within this group.

The Program will begin the design of decrees to regulate Law 070/93, chapters IV, V and VII. The GOC has a draft of this decree (dated 2007) which had political barriers among Ministries and other public entities; the Program will begin to rework the design of the regulation.

A workshop and a seminar will be held to discuss service delivery and the content of the “acuerdos de prosperidad” in order to establish an implementation agenda.

### **Result 3.5: Participation of conflict-affected populations in policy and program design**

The Program will hold a workshop to review the alternatives of participation for IDPs, considering the multiple organizations and representatives, the “orders” formulated by the High Constitutional Court, the new instruments such as certification of municipalities, and other aspects. The team will also hold a seminar to review best international practices to ensure the participation of vulnerable populations.



## **COMPONENT 4: SUPPORT FOR DECENTRALIZATION AND IMPROVED PUBLIC AND ECONOMIC MANAGEMENT**

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### **OVERVIEW**

The objectives of Component 4 are to a) clarify roles and responsibilities between levels of government; b) strengthen small municipalities; c) introduce sound policy, legal and budgetary frameworks to improve the delivery of services, promote good governance, and enable the business environment in rural areas; and d) support institutional reform to improve government transparency and encourage citizen participation in governance and policy/program oversight.

Component 4 will work simultaneously on two tracks to: 1) articulate policies, programs and resources at the national level to improve the effectiveness and efficiency of services to the regions; 2) support the implementation of policies in the territories, through the design and support of pilot projects implemented by other USAID-funded programs. This component will provide technical assistance to build the capacity of local governments by designing and implementing instruments, procedures and providing training. The component will also facilitate and improve inter-agency coordination and capacity to implement national policies and services at the regional level. The team will work to improve competitiveness, and support agriculture and small and medium enterprise (SME) programs to make them more responsive to the local needs of small-scale farmers and vulnerable populations. The Program will draw from international best practices and lessons learned to establish models and methodologies that are appropriate for the Colombian context.

### **MAJOR ACCOMPLISHMENTS:**

Working in close coordination with the GOC, and with extensive support from a team of experts working hand in hand with the Ministry of Finance, a Constitutional Reform governing the National Royalties System was drafted and presented to Congress. During the next quarters, the team, along with the GOC, will further develop the bill and the decrees for the regulation of the operation of the funds composing the new income distribution system.

The Strategic Revision of the National Consolidation Policy, supported by the Program's technical team, was successfully completed, with remarkable results in terms of the participation of about 60 public and private agencies in 17 technical subcommittees on sector and crosscutting issues related to the consolidation zones policy framework.

The GOC decided to develop the decentralization statute through two different laws that set and redefine the competences between different levels of government (Nation, Departments, and Municipalities). The Program supported GOC institutions involved, the National Federation of Departments, and the Colombian Federation of Municipalities in the development of two Bills submitted to Congress during last legislature: the Departmental Regime and the Municipal Regime

The Program has supported the GOC Public Employment reform. The Program participated in an interagency committee where the GOC is analyzing the different aspects of the Constitutional reform. A new institutional arrangement will be created to oversee and regulate administrative careers at the national and subnational levels.

The Program is supporting the GOC Institutional Strengthening Program for Subnational Governments. The Program supported an interagency committee that is designing the program by providing reform recommendations. This Program was included in the law enacting the National Development Plan as a fundamental initiative to improve local capacities for public entities and civil society.

### **OPPORTUNITIES AND CHALLENGES:**

In order to cope with the ambitious reform agenda planned by the GOC, many challenges are faced by the Decentralization Component. One of the main challenges will be to advise the GOC in the coordination of many legislative initiatives led by different agencies and based on regional development, such as the Land Management Law (*Ley Orgánica de Ordenamiento Territorial—LOOT*); the Departmental Regime and the Municipal Regime; the Royalties' Reform; the *Contratos Plan* regulation; the Rural Development Law; the National Consolidation Policy; and the Land Restitution Law, among others.

The Program will also support the GOC in the creation of the new *Departamento Administrativo de la Inclusión Social* (DAIS) and the *Unidad Administrativa Especial de Reparación a las Víctimas*. These last two new government agencies will generate high impact on vulnerable populations. For instance, the new DAIS will bring together and implement consolidation, victims' protection and poverty fighting policies, along with social innovation models and income generation as cross-cutting issues.

Additionally, a Public Employment draft Bill regulating the Constitution will be submitted to the GOC which will achieve efficiency and transparency in selecting public officers and sustainability in the implementation of public policies, particularly those directed to social spheres and in the subnational and local territories.

Support from the Program for the coordination of these efforts is crucial, as the regulations and programs involved are interlinked and ambitious development strategies can only be successful if they are coordinated. This is certainly the case in the Rural Development Areas and the Consolidation Zones. These two zones sometimes overlap, which requires extra effort from policy makers to design instruments to take advantage of the synergies.

Another case in which policy makers will have to be strategic and take into account the issue of timing is the connection between the *Contratos Plan* instrument and the regional strategies. The *Contratos Plan* is a mechanism to make institutions commit to specific responsibilities and resource allocations in order that regional plans and programs can be developed. The Program's support of this coordination will be vital to its success.

The current landscape offers a major opportunity for the Program to support the successful coordination of GOC policies and strategies and benefit from the synergies between all the Program components, and other USAID programs. In this context, pilot projects to be developed by the Program are highly important. The first of which to be implemented is the Rural Development Area in the Montes de María region. The implementation of this pilot project will also be an opportunity to work in coordination with USAID's *Colombia Responde* program, which currently works in the four Consolidation municipalities in this region.

## **PROGRAM ACTIVITIES:**

### **Result 4.1: National level policies that improve regional ability to generate and track revenue**

The team has been active in providing inputs and recommendations for the GOC to reform real estate taxes, and to increase the minimum (floor) taxable property value. Inputs provided by the team to the National Development Plan led to the establishment real estate tax law which uses Municipal or District Council to determine tax rates and will range between one per thousand (.001%) and sixteen per thousand (.016%) according to the market value of rural properties. This is applicable for rural property used for agricultural purposes.

The Program is supporting the Ministry of Finance with a team of experts that coordinates and provides technical assistance to develop a comprehensive regulatory reform of the regime for royalties from extractive industries. Key activities included providing technical assistance for drafting, adjusting and socializing the Constitutional Reform of the National Royalties System. At the end of the legislative session (June 2011), the final text of the reform was approved by the Congress.

The royalties reform aims to improve the equitable distribution of royalties across regions with extractive industries, impacting the poorest regions of Colombia while expanding the range of services and infrastructure financed with royalties from extractive industries. Considering the increasing resources expected from royalties in the upcoming years, this reform will deeply impact regional development. It will also leverage private investments for financing macro projects in critical sectors like infrastructure, and promote the association of departments and municipalities around regional initiatives, formalized in most cases through the *Contratos Plan*.

In order to achieve these goals, the reform creates a set of funds—Science, Technology and Innovation Fund, Regional Development Fund, Regional Compensation Fund, and Savings and Stabilization Fund—and defines a governance structure, created to align the prioritization of regional projects with competitiveness strategies, as well as to improve local governance and management, promoting transparency and preventing corruption.

The Program supported the Ministry of Finance with the following technical assistance during this quarter:

- Analysis of different scenarios for royalties distribution, risk assessment, and impacts of the regional distribution and allocation of royalties.

- Promoting working sessions with representatives of the national government, international organizations, and experts in the subject, with the purpose of opening discussions and exchanging information about the royalties reform proposed.
- Organizing discussion sessions to socialize the proposed reform with Congress members and stakeholders.
- Providing technical analysis of the proposed modifications defined by the National Congress to the royalties' reform project.
- Attending and contributing to the majority of the technical discussions on the constitutional reform in Congress, leading up to its approval.
- Leading a regional planning process to identify projects that can be financed during the first year of the operation of the System (2012).
- Organization and implementation of a workshop with investment bankers, which garnered the participation of the Director of the National Planning Department, the Ministry of Finance, the Vice-Ministry of Transport, and the National Institute of Concessions Director. The discussion centered on the structure, financial closing, and implementation of infrastructure projects that would be financed with royalty resources. The inputs presented by the investment bankers in particular will provide the GOC with the elements for a world class infrastructure procurement regime.

#### **Result 4.2: Improved Management of Key Government Services in National Consolidation Zones**

The Program supported the implementation of the Strategic Revision process of the National Consolidation Policy (NCP), which was designed and structured through a regulation supported by the Program (*Directiva Presidencial 06 del 2 de febrero de 2011*). The objectives of the process were to review the Consolidation conceptual and policy framework, from the assessment and evaluation of the results obtained to date, as well as to promote and reach inter-institutional agreements on the competences, responsibilities, roles and commitments that governmental institutions have in the implementation of the NCP. Some of the most relevant activities included:

- The institutional arrangement and the organizational structure that governs the Consolidation policy in the national and regional level, including the role of the Regional Coordination Centers;
- The inter-agency coordination mechanisms for planning and implementing the national policy and the regional action plans;
- The design of a budgetary mechanism that facilitates the allocation and execution of resources from different institutions;
- The design of a monitoring system and a set of indicators that enables follow up on the advances and results;
- The definition of a marketing and communications strategy for the NCP.

The support offered by the Program consisted of the technical assistance of a group of six experts acting as technical secretariats and leading discussions on the 17 subcommittees, as well as senior experts attending working sessions. The subcommittees met several times, with participation from official representatives of the Ministries and governmental institutions, in order to have a multidisciplinary and intersectoral understanding of the issues and to define the interagency coordination required to develop the National Consolidation Policy. As a result of the subcommittees' discussions, the technical

secretariats of the Program produced, for each of the issues, a set of documents containing an assessment of the issue in consolidation zones; an analysis of the related problems; a strategic vision and objectives to be achieved in consolidation zones for each of the subjects; and an action plan to be developed during the next four years.

### **Result 4.3: Improved expenditure efficiency and the budgeting regulatory framework**

The Program has supported the Ministry of Finance, General Directorate of National Public Budget, the National Planning Department, and the Directorate of Investment and Public Finance in the structuring of an integrated project to achieve effectiveness and efficiency in spending. The primary objective of this project is to convert the budget into a governance tool whose focus lies not on resources per se, but on the goods and services provided to the community through those resources and the costs associated with this provision. The following are the results achieved through the support of the Program:

- Decree that amended Decree 568 of 1996, 4730, 2005 and 2844 to 2010. The decree seeks to empower existing systems for budget management (Integrated Public Financial Information - SIIF Nation and the Unified System of Public Investment) to simplify certain formalities and budget.
- Six workshops attracting the participation of all sectors and entities included in the National Budget. 144 officials attended, primarily Directors of planning entities.

### **Result 4.4: Stronger local capacity to implement and manage national GOC programs**

The Program assisted the Ministry of Interior in drafting the Departmental Regime and the Municipal Regime reform bills, which were presented to Congress in April 2011. The objective of the mentioned regimes is to define new administrative and operational structures for the departmental and municipal governments, incentivizing their modernization, strengthening the responsibility allocation between levels of government, and improving interagency coordination.

The support offered by the Program consisted of a team of experts, led by Jaime Castro, who drafted the initial versions of the Bills and ran a series of meetings with the technical team of the MoIJ, the National Planning Department, the National Federation of Departments, and the Colombian Federation of Municipalities, in order to obtain consensus on the texts of the reforms proposed. The team also drafted the final versions of the bills presented to Congress.

The main objective of the reform is to strengthen the competences and responsibilities of the departments by delegating some of the functions assigned to the national government, as well as reinforcing their role as the entities that coordinate the national government with the municipalities. This reform will also enhance the concept of “region” by promoting the departmental level as representative of a group of municipalities with a common regional plan, and the association among departments for the development of joint strategies involving a wider region. In addition, the proposed reform establishes new financial mechanisms, such as the leveraging of private funds through the financial market in order to finance investment projects.

*Help develop departmental and municipal infrastructure funding strategies*

In order to help the GOC develop a legislative framework for Public Private Partnerships (PPP) to leverage funding and technical skills from the private, the Decentralization Component has developed the follow key activities:

The Program hired a high-qualified team of experts to coordinate the institutions related to the issue in the GOC, and provided recommendations and inputs for the PPP Bill. The team includes a group of financial specialists and legal experts who are working on the draft Bill. The first draft of the law was ready at the end of June.

The Program held a workshop with a team of high level international experts to demonstrate experiences and recommendations on project delivery, procurement, and contract methods that have and have not worked for different types of infrastructure projects. There was also a session on Public Private Partnerships, emphasizing direct and indirect finance alternatives, including funding by multilateral agencies, securities, and private capital among others, as well as guidance on regulatory and other requirements to set up a sound framework to procure and implement PPPs. The total participation of the workshop was 45 people.

#### *Support the improved management of key government services*

The GOC requested technical support from the Program to design the “*Contratos Plan*,” an innovative policy instrument coordinating different levels of government. The team provided inputs to include this policy instrument in the National Development Plan Law. The main activities developed during were:

Selecting and hiring a team of technical and legal experts, responsible for preparing the design and regulation of the *Contratos Plan*, a new legal instrument that allows for the establishment of agreements between different levels of government for the associated implementation of regional development strategies. In a *Contratos Plan* many territorial entities can take part and join efforts, through mutual commitments and assignment of budgets in order to achieve a common development plan.

The team prepared a first draft document, based on the three laws that define the preliminary legal framework for the *Contratos Plan*: The National Development Plan 2010-14, the Organic Law for Land Management, and the Royalties Constitutional Reform. For the analysis, the team carried out an international benchmarking of similar instruments in France, the European Union and other countries, evaluating strengths and weaknesses and the adaptability to the Colombian regulatory framework. This initial assessment summarizes some of the elements that must be taken into account for structuring the instrument such as: scope of the alliance, incentives, potential risks, legal implications, budgetary mechanisms, terms, and institutional structure, among others.

#### *Montes de Maria pilot project on key policies and government services towards regions:*

The initial planning of the pilot project is being led by INCODER and the Ministry of Agriculture, in coordination with the Regional Coordination Center in Montes de María (CCAI – *Accion Social*) and with USAID’s *Colombia Responde* Program. The advances to date are:

- Meetings and workshops with GOC, MADR, and INCODER to identify government services offered in the Montes de María RDA.
- Assistance for coordinating GOC policies and regional initiatives in the RDA and Consolidation zones.
- Meeting with leading GOC institutions on rural development to establish the general support framework and to reach agreements on a roadmap and action plan for the RDA.
- Initial assistance to structure the *Contratos Plan* for Montes de María's RDA.
- Support in defining a methodology for building the MM RDA's action plan.

## **Result 4.5: Support GOC Institutional Strengthening for Good Governance**

### **PUBLIC EMPLOYMENT (PE)**

The Program is currently conducting an assessment and reform of the existing legal, regulatory, and operational framework for civil service in Colombia. The Program provides technical assistance to the GOC to improve PE in Colombia, with special focus on sub-national governments, to ensure that officials are recruited on merit and skills, to support their professional growth, and to guarantee the fulfillment of the essential purposes of the state specially in the implementation of national and regional plans, and quality delivery of services offered by the state.

Public employment ensures the continuity of public policies and the intervention of the projects that USAID is supporting over time. The GOC is focused on building a first-class national and subnational workforce and generating the ability to build and maintain a high quality workforce to ensure the implementation of national policies at the regional level.

A draft Public Employment Law has been submitted to the High Commissioner for Good Governance and Administrative Efficiency (HCGGAE), which will establish the regulatory framework for public employment, public management, and administrative career tracks.

### **State Reform**

The decentralization component works with other Program components on the crosscutting issue of State Reform by designing or creating institutional structures needed to implement public policies. As part of its tasks, the component will assess the administrative structures established in Law 489/986 and the provision of technical assessments required to reform administrative structures. The Program supported the GOC in the institutional reform of the Ley de Facultades Extraordinarias, which separated three Ministries and allows for the creation of or elimination of public entities. The Program team is supporting the institutional design of the Ministry of Environment and Sustainable Development, and the Ministry of Labor.

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<sup>6</sup> Law 489/98 regulates the administrative function, determines its structure and defines principles and basic rules of the organization and functioning of the public administration.



#### Result 4.7: National training plans that meet the needs of Municipalities

The Decentralization Component's team of experts, in coordination with the Territorial Direction of the NPD and the High Commissioner for Good Governance, focused on organizing the process, designing a roadmap, and providing technical inputs for the design of a capacity-building program for institutional strengthening of subnational governments, civil society and private sector, towards regional development. The follow key activities were developed by the team:

- Assessing and evaluating national and international best practices and lessons learned from similar experiences, including the analysis of instruments (models, services and incentives), methodologies, and institutional arrangements implemented for territorial capacity development.
- Identification of international experiences, contacting key actors to learn from their practices and expertise, and evaluating study cases (Rwanda, South Africa, Indonesia, Ibero-American Municipalities Union, World Bank Institute, OCDE, among others).
- Documentation of international experiences and consolidation of useful lessons for the design and implementation of the capacity-building program.
- Identification and evaluation of national and local experiences to learn from their practices and expertise (National experiences: Institutional Development Program, Departmental Management Program, National System for Municipal Capacity, and Development and Peace Programs; Local experiences: Caldono- Cauca, Barranquilla- Atlántico, Guadalupe – Huila, among others).
- Documentation of national and local experiences and consolidation of useful lessons for the design and implementation of the capacity-building program.
- Consolidated diagnostic containing the assessment of the main issues impacting territorial development in Colombia during the past decades. The diagnostic outlines the importance of strengthening institutional capacities and proposes a conceptual framework and an initial structure for the capacity-building program. The document included a first draft of the policy document outline, with the key elements that should be included in the design of the program. The document presents initial findings on the role of institutional capacities in strengthening human resources, organizational performance and governance, and provides an introduction to the purpose and process with an overview of sequential stages.
- The Component's team of experts assisted the Territorial Direction of the NPD in developing working sessions and workshops, for building a common understanding of the Program into the team and defining a proposal of its structure.
- Assistance to the GOC—NPD, High Commissioner for Good Governance, and ESAP—in planning and designing innovative methodologies to develop the training event for elected Mayors and Governors. The team is also assisting the adjustment of the technical contents and graphical concept of the training manuals and guidelines that will be delivered during the event, as well as supporting, in coordination with *Gobierno en Línea*, a strategy for designing and implementing a virtual portal or intranet for municipalities and departments.
- The organization and implementation of a focus group, with seven current Mayors, to understand their experience, identifying relevant areas for improving institutional capacities.



- In coordination with the Sub Director of the National Planning Department at the World Bank to discuss the scope of the support offered by the Bank to strengthen the institutional capacities of subnational governments, as well as the assistance of international experts for developing the “Contratos Plan”. As a result of the meeting, the NPD and the WB team agreed to determine a joint agenda and to coordinate efforts with the action plan already defined with the USAID Public Policy Program.

## **SUMMARY OF PERFORMANCE STANDARDS**

### **Result 4.1: National level policies that improve regional ability to generate and track revenue**

- 1 input to the National Development Plan Law
- 1 Constitutional Reform: National Royalties System
- 1 Workshop implemented with investment bankers

### **Result 4.2: Improved Management of Key Government Services in National Consolidation Zones**

- 1 regulation: *Directiva Presidencial 06 del 2 de febrero de 2011*, on the Strategic Revision Process of the National Consolidation Policy
- 3 workshops implemented (Subcommittees: Institutional Development, Performance and management indicators in Consolidation zones, land zoning and land management)

### **Result 4.3: Improved expenditure efficiency and the budgeting regulatory framework**

- 1 Decree Submitted to the GOC
- 6 Workshops to compose the nation’s general budget

### **Result 4.4: Stronger local capacity to implement and manage national GOC programs**

- 2 Workshops on decentralization. 1 in Municipal Regime and 1 in Departmental regime
- 1 Workshop on public procurement, infrastructure and public and private partnership.
- 1 Input to the national development plan: the Contratos Plan
- 2 Laws: Municipal Regime and Departmental Regime
- 3 workshops implemented: Municipal Regime; Departmental Regime; Experts on project delivery, procurement, contract types, and Public Private Partnerships for infrastructure projects.
- 1 Workshop in social services in consolidation zones delivered in Q3

### **Result 4.7: National training plans that meet the needs of Municipalities**

- 4 workshops implemented: 1 workshop on national and local best practices, 1 workshop on international best practices, 1 workshop with the technical officials of the Territorial Direction of the NPD for structuring the capacity-building program, 1 focus group with mayors

## **KEY ACTIVITIES TO BE DEVELOPED DURING NEXT QUARTER:**

### **Result 4.1: National level policies that improve regional ability to generate and track revenue**

The Program will continue supporting the GOC in the socialization of the current constitutional reform of the Royalties' System and the subsequent regulatory framework. The Program will hold at least one workshop with members of Congress, public sector, civil society, and special stakeholders.

The Decentralization Component team of experts will support the MoF in designing the law that regulates the Constitutional reform approved. This law should define the operation of the Royalties' National System, especially the funds created and the mechanisms to structure, select, and prioritize the projects that will be financed, as well as the instruments for their execution by local governments.

During Q4, the team will also continue supporting GOC in the identification of regional projects, prioritizing them, and evaluating the needs for structuring a portfolio of high impact projects that will be funded with royalties' resources, leveraging private investments through Public Private Partnerships (PPPs). The regulation for promoting and implementing the PPPs is also being supported by the Decentralization Component with technical assistance offered in a coordinated way by the royalties' team of experts and a specialized group of experts on infrastructure. Results on this particular issue are presented on Result 4.4.

### **Result 4.2: Improved Management of Key Government Services in National Consolidation Zones**

The Decentralization Component team will provide assistance to the High Commission for National Security and Acción Social (CCAI) in structuring a policy document with the technical inputs obtained from the subcommittees, which will formalize the National Consolidation Policy. The government has not defined yet if this document will be a CONPES document or a different kind of policy document.

The GOC has solicited the Program's support on structuring and drafting the Regional Action Plan for each of the seven consolidation zones. The scope of this activity is still under evaluation and definition by USAID and the Program.

As mentioned below, the Program is supporting the GOC in building the institutional architecture necessary to implement the policy of Consolidation. In that sense, we are currently supporting the incorporation of consultants for the preparation of technical documents that will incorporate the strategy of the subject and its institutional architecture.

### **Result 4.3: Improved expenditure efficiency and the budgeting regulatory framework**

The Program will provide inputs for legal and institutional reforms in terms of a more flexible institutional arrangement of budget operation and execution. The specific products will be transformed

in decrees, manuals or laws by the legal area of the project. This will guarantee the viability and implementation of the instruments and methodologies defined in the context of this work.

#### **Result 4.4: Stronger local capacity to implement and manage national GOC programs**

Continue supporting the GOC in the assessment and analysis of different schemes for linking private capital, and incentivize the participation of private investors in the country and the banking of projects, highlighting the degree of acceptance of such mechanisms, and identifying strengths and weaknesses to attract suitable long-term investors with sufficient financial strength. In coordination with the GOC, draft the Public Private Partnerships' Bill that will be presented to Congress in July.

Conduct an assessment and develop recommendations and an action plan to improve program design, funding, and contracting of infrastructure construction and maintenance. And, conduct a diagnostic of the institutional arrangement needed to implement the infrastructure funding mechanisms and develop recommendations for institutional reforms required.

Regarding the technical support offered in the design of the *Contratos Plan* instrument, the Q4 activities will be focused on:

Analyzing alternatives to define and establish the *Contratos Plan*, considering previous experiences in Colombia, as well as international case studies. Consolidating a policy document with the institutional arrangement (competences and responsibilities) and the conditions for the sustainability of the instrument (financial, legal). Hold a workshop with experts and governmental officials on models, alternatives and impacts of the *Contratos Plan*. The team will also draft a decree that regulates the *Contratos Plan* instrument, and produce a model and template of a standard *Contratos Plan* and produce manual and guidelines for local authorities.

The planning and implementation of the Montes de Maria Pilot Project will involve the following activities for Q4:

The GOC plans to launch the Montes de María Rural Development Area initiative in August 2011, which will require extensive support from the Program team in order to structure the pilot project, articulate the institutions involved, develop an action plan and a methodology that can be presented as the route to design the RDA, and sign a *Contratos Plan* for Montes de María.

Once the planning methodology of the Montes de María RDA is launched, the experts team will support the government in: 1) gathering information and producing a diagnosis in each of the required areas (land management, value chains, markets, infrastructure, etc.); 2) producing an action plan for the Montes de María RDA; 3) defining commitments from the GOC and its institutions and from local governments, and support budgeting processes; 4) validating the action plan with the institutions involved, local governments, organizations and civil society in the area; and 5) the structuring of the *Contratos Plan*, among others.

#### **Result 4.5: Support GOC Institutional Strengthening for Good Governance**

##### **PUBLIC EMPLOYMENT**

During Q4 the Program will support the GOC to achieve needed outreach with Congress and stakeholders facilitating debate and discussion of the Constitutional change for Public Employment. The program will submit the final version of the Constitutional reform (articles) based on these discussions.

Also the program will support the GOC in the study of the operation and implementation of the current public employment law at national and local levels in order to establish the gap between the law and its implementation and suggest improvements.

## **INSTITUTIONAL REFORM**

During Q4, the organizational structure, staffing plan, and the technical study that supports these judgments will be approved by the GOC, creating the new Ministry of Environment and Sustainable Development, and the Ministry of Labor.

The program will review the Strategic Documents for the reform, the technical study, structure and staff decrees designed by *Accion Social* and will provide input to design the financial and budgeting mechanisms (Funds) and operational method for the Administrative Department for Social Inclusion<sup>7</sup> and Victims Reparation Unit .

The team is supporting the Consolidation strategy as an input for the Social Inclusion department and its institutional architecture. Support includes development of a concept paper on consolidation, and preparation of technical documents to define the consolidation architecture taking into account the kind of organism that should be created, inputs needed to operate (from the umbrella structure), results and services to the citizens, and the Regional Integral Care Centers.

The Land and Rural Development and DIPEM components are supporting the GOC in designing the new organizational architecture of INCODER . The Program is supporting the definition of INCODER's strategic policy and the strategic document will be submitted during QR4 as well as the technical study for the reform.

The Program will support the design of a strategy for the Special Administrative Unit for Land Restitution based on the targets defined by the Victims' Law, and will design the appropriate organizational architecture and staffing plan.

### **Result 4.7: National training plans that meet the needs of Municipalities**

During Q4, the team will continue supporting the GOC in reaching consensus with stakeholders—NPD, High Commissioner for Good Governance and Administrative Efficiency, Ministry of Finance, the World Bank, the Municipalities and Department Unions—on the scope and structure of the capacity-building

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<sup>7</sup> Name not yet defined by GOC.

program. The Program will provide conceptual frameworks, and gather information, collect data, define critical issues, and methodologies and model.

The Program will support the GOC in drafting a CONPES document containing the Program vision, goals and objectives, strategic areas for capacity-building, the institutional arrangement proposed for its implementation, as well as the commitments of the governmental institutions, local governments, and international cooperation organizations, and a provisional budget and financial model for putting the Program into practice.

In order to obtain feedback and validate the CONPES document, the Component's team of experts will lead the planning and implementation of workshops with public officials, international organizations, associations of departments and municipalities, Governors and Mayors, and experts on territorial issues.

The team will continue assisting the GOC in the design of methodological inputs for the elected Mayors and Governors Seminar, as well as in planning its contents and thematic structure. The seminar is set to be held in December 2011. The portal for municipalities and departments will be designed and its first test launched at the end of October 2011.

## COMPONENT 5: LABOR POLICY

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### OVERVIEW

**Overall Objective:** Through the Public Policy Program, AECOM will continue to support the legal reforms needed to meet and enforce international labor standards by improving labor inspections and oral justice adjudication procedures. The Program will help increase the efficiency of labor markets by providing assistance to strengthen job training and labor intermediation programs, and will deliver specific recommendations to improve the quality of labor demand information. Support will be provided to policy reforms aimed at reducing labor market distortions, rigidities, and disincentives to labor-intensive production.

**Background:** The new GOC agenda includes, among other things, an emphasis on significantly reducing informality, generating employment opportunities for youth (first-job bill), reducing factor-price distortions (to favor the use of labor-intensive technologies), improving labor market functionality (labor market intermediation and protection of unemployed workers), and separating labor and health into two different Ministries. Although the National Development Plan has not yet been finalized, these policy priorities have been included in the preliminary draft.

The Program does not foresee changes to the original labor work plan; however, Ministry officials have expressed their concern with respect to two aspects of the new National Development Plan: 1) the GOC will require more technical support in key policy areas related to the development of labor market changes, especially those related to the reduction of informality, employment generation, and active and passive employment policies; and, 2) the creation of a Ministry of Labor (or Labor and Social Protection) will generate the need for rapid institutional strengthening of the new Ministry to enable ministry officials to assume the new responsibilities with enough technical and political capacity to impact labor and social policy.

**Approach:** The Program will identify key reforms to improve labor inspection, increase respect for workers' rights, and develop the technical capacity to make appropriate decisions in the area of labor market policy and employment generation. To build support for reform priorities and assist during the reform design stage, the Program will conduct seminars and workshops with GOC officials, workers, employers, the media, and CSOs on workers' rights, International Labor Organizations (ILO) Conventions approved by the Colombian Congress, employment and informality, effects of factor-price distortions, and labor market institutional reform, among others. The Public Policy Program will also work with GOC counterparts, such as the Ministry of Social Protection, Ministry of Interior and Justice, Ministry of Education, National Planning Department, *Escuela Superior de Administración Pública*, *Acción Social*, department and municipal governments, and with civil society groups (unions, workers, employers, academics) in the design and implementation of the projects in order to build support from the bottom up.

**Synergies with other components and USAID Programs:** The Labor Component will interact with other components of the Policy Program to maximize the impact of its activities. The area in which this

interaction will be especially important is in the design of training programs for vulnerable populations (Task 5.4.1). The activities in this task will complement, and be complemented by, the activities in Task 3.4.1 (Support the implementation of programs that promote income opportunities for vulnerable populations) and Task 3.5.1 (Assist with the implementation of GOC policies for Afro-Colombians and indigenous communities). The Labor component will work with Component 3, Policies Toward Conflict-Affected Populations, in the design of training activities for vulnerable populations and will prepare a joint strategy for their implementation.

## **MAJOR ACCOMPLISHMENTS**

The GOC decided to undertake critical reforms in Labor Inspections during the reform that created the New Ministry of Labor. As a result, the current Social Protection Minister and the High Commissioner for Good Government (President's Office) requested support from the Program to design the new procedures for Labor Inspections, redefining the responsibilities of labor inspectors and strengthening the capacity of the new Ministry of Labor to formulate employment policies. In response to this request the Labor Component organized a team of experts that worked through a workshop-type methodology to discuss the general goals and policy areas the new Ministry of Labor should cover. The group of experts included labor economists and labor lawyers, and was assisted by a support group of professionals with extensive knowledge and experience in the functioning and history of the current Ministry of Social Protection. A document with key reform recommendations was presented to the Minister of Labor, the Labor Viceminister, and the High Commissioner for Good Government, outlining the basic areas and policy purposes of the new Ministry. The additional support the Component will lend to the government in this area will be decided on the basis of this document.

By working with the GOC in the reform of the Ministry of Labor, the component can achieve a number of standards of performance in the work plan as follows:

- 1) The reform of the Ministry requires a significant revision of inspection procedures, which implies the simplification or abolition of unnecessary procedures and the reduction of red tape in inspection processes (task 5.1.3). The standard of performance for this task is an institutional reform.
- 2) The reform also creates the opportunity to create the basis of a risk-based inspection system (task 5.1.2) by contributing to the definition of the functions of the new Inspection Direction and the job description of inspection officials. The standard of performance for this task is a law. In this case, however, the same result has been achieved with a decree under the special powers granted to the President by law 1444, 2011.

Congress approved the National Development Plan (*Ley del Plan*) for the period 2010 – 2014. This law includes the construction of an unemployment insurance system recommended by the Labor Component, consisting of a scheme of individual accounts complemented with a solidarity fund to subsidize workers that do not manage to accumulate enough savings in their accounts. The individual accounts will be built from the *cesantías* received annually by salaried workers (13<sup>th</sup> month salary paid every year to salaried workers).

## **OPPORTUNITIES AND CHALLENGES**

One special issue that emerged was related to the agreement signed by the Colombian and US Presidents regarding the approval in the American Congress of the FTA between the two countries. This agreement implies the fulfillment on the part of Colombia of some labor-related conditions, among which the most important ones have to do with the regulation of workers' co-ops, improvements in the protection of the rights of association (unionization) and collective bargaining, and increases in the number of labor inspectors devoted to supervising the functioning of workers' co-ops. The Labor Component prepared and offered a support package to the Minister of Social Protection and to the Vice-Minister of labor relations, which to date has not received a response.

Following the indication of the Vice President, the component has been working on the development of tri-partite workshops. Contacts have been made with union leaders in order to assure their active participation in these activities, among them Miryam Luz Triana and Julio Roberto Gómez. As Mr. Julio Roberto Gómez, president of CGT (*Confederación General de Trabajadores de Colombia*) pointed out, these seminars and workshop could be very useful, but the timing is not right because most of the important union leaders and some of the Producers' Associations leaders were scheduled to be out of the country in the ILO Annual Meetings in May. That means that these activities will have to take place during the fourth quarter of the project.

Although the Congress approved in the Plan of Development law the Labor Component proposal of using *cesantías* to create an individual account unemployment protection system, it gave a more prominent role to *Fondos de Cesantía and Cajas de Compensación* than that contemplated by the proposal. This will imply adjustment in the original model proposed.

## **RESULTS AND ACTIVITIES**

### **Result 5.1: Effective labor inspections and enforced labor rights**

Adequate protection of labor rights is a key element for the full enjoyment of the benefits of economic growth and achieving social justice.

#### *Assist in the development of methodologies and databases for implementing risk-based inspections*

The component will assist the Ministry of Social Protection in developing a methodology for identifying (through the use of probabilistic models) sectors and activities where violations to different labor regulations are most likely to occur. It will be necessary to not only construct the probabilistic models to be used in the identification of target sectors but also to identify the information necessary to feed the models and to develop dynamic databases with that information.

#### *Assist in simplifying procedures and reducing red tape in labor inspection processes*

Under the MIDAS program, the Labor team identified several areas in which labor inspectors spent valuable time on activities other than inspection, and made recommendations on how to better utilize their time and improve inspection results. The team proposed changes to the inspectors' workload in order to reduce the time devoted to unnecessary procedures and red tape. Implementation of those recommendations was limited given that there is a need to adjust the legal structure to make the



required changes. (through new decrees and/or new laws). The Program will support the Ministry in identifying some key areas to simplify or eliminate procedures, and to identify expedited legal procedures and propose new regulations.

### **Result 5.2: Improved Processing of Labor-Related Cases through the Oral Adjudication System**

*Assist the Higher Judiciary Council (Consejo Superior de la Judicatura,[CSJ]) in strengthening the Oral Justice System Observatory*

The development of this observatory will be instrumental for the CSJ in developing adequate policies for the implementation of the system at a national level.

The component discussed with the CSJ and agreed on a plan to develop necessary indicators of demand for justice services and estimate them. This plan includes the estimation of a number of performance indicators of the Oral Adjudication System in the pilot projects it has already implemented, and its comparison with the performance of other non-oral labor courts, as well as with the resources available.

It also includes the development of a methodology and its application for the analysis of the functioning of the oral system by analyzing samples of cases in the system.

### **Result 5.3: Training Programs Linked to Demand**

Law 1429 (2010) provides the creation of an information system (SINIDEL: *Sistema Nacional de información de Demanda Laboral*) and explicitly indicates that DANE will be responsible for its operation. This development follows the recommendations made by MIDAS project several years before. The Labor Component will lend support to DANE in the implementation of SINDEL, since it will be the basis of the linkage between labor demand and training programs.

*Assist the GOC in developing a labor market information system.*

The component had several meetings with DANE's new Director (Jorge Bustamante) and its technical team. Several aspects of the development of the information system were developed. On the basis of these discussions and several documents prepared by the labor sub-component of the MIDAS project, DANE prepared a work plan for the implementation of SINDEL. The following step will be to identify the areas of this work plan in which the Component could lend technical support.

DANE has also requested to extend the support to the implementation of the general information system for the agricultural sector.

### **Result 5.4: Special Training Programs for IDPs Developed**

Development of training methodologies for IDPs is an important element of the link between labor demand and training programs, and also constitutes a tool to facilitate the insertion of vulnerable populations in the labor market.

Initial meetings with SENA's high rank officials (Diana Guzmán, Coordinator of International Relations and Mauricio Betancourt, Director of Employment) took place. In these meetings it was agreed to hold

technical meetings with the areas responsible for labor intermediation (Labor observatory) and vulnerable populations to identify the areas in which the Labor Component could lend technical support. These meetings have started and a plan of activities is being constructed.

### **Result 5.5: GOC reforms to strengthen the functioning of labor markets**

The Congress approved the Plan of Development which included the proposal of using *cesantías* to create an individual account unemployment protection system (which includes a labor market intermediation system), as had been proposed by AECOM. However, it gives a more prominent role to *Fondos de Cesantía and Cajas de Compensación* than originally planned. This will imply adjustment in the original model proposed.

The analysis of unemployment duration determinants is in its last stages. Consultant Martha Misas was hired to undertake this analysis using information from Household Sample (GEIH) 2010. Four technical meetings have been held with the technical support group (DNP, Ministry of Social Protection, Public Policy Project) to discuss preliminary results and methodology of estimation. The final report is scheduled to be ready in early July.

## **SUMMARY OF PERFORMANCE STANDARDS ACHIEVED**

### **Result 5.1: Effective labor inspections and enforced labor rights**

- One workshop

### **Result 5.5: GOC reforms to strengthen the functioning of labor markets**

- National Development Plan including the unemployment protection system

## **FOURTH QUARTER PRIORITIES**

### **Result 5.1: Effective labor inspections and enforced labor rights**

The Program will validate all activities with the Ministry and the Deputy Minister of Social Protection. All activities will be re-validated with new Ministers and Vice Ministers if and when the restructuring of the Ministry occurs and the Ministry is split. The program will hold two workshops and one seminar during the fourth quarter.

### **Result 5.2: Improved Processing of Labor-Related Cases through the Oral Adjudication System**

The project will identify consultants to implement the plan and prepare the Terms of Reference for the strengthening of the Oral Justice System Observatory.

### **Result 5.3: Training Programs Linked to Demand**

Identify areas of Labor Component support within DANE's work-plan and identify consultants which could implement such support. In the implementation of this support, it will be necessary to include also the activities to be undertaken with SENA, which is the main supplier of training services in the country.

### **Result 5.4: Special Training Programs for IPDs Developed**

Finish the plan of activities. Validate the plan with SENA's new Director. Begin implementation.

### **Result 5.5: GOC reforms to strengthen the functioning of labor markets**

Make the necessary adjustments to the unemployment protection model originally proposed and use the results of the unemployment duration study to re-estimate the financial feasibility of the Unemployed Protection System model included in the Development Plan.

A seminar on informality and labor market distortion will be held.

## COMPONENT 6: ENVIRONMENTAL POLICY:

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### OVERVIEW

**Overall Objective of the Component:** The Public Policy Program will support the GOC in the design of public policies and implementation in environmental-related areas. Specifically, the Program will support the Ministry of Environment and Housing (MEH) in leading the revision and redefinition of the National Biodiversity Policy and the design of the National Biodiversity Plan, the unification of protected areas categorization and the law for the National Protected Areas System, the national hydro-meteorological network policy and associated climate services, the Payment for Ecosystem Services (PECS) strategy policy document, and the climate change and greenhouse emissions reduction policy. The Public Policy Program will contribute to improving institutional capacity to design programs, policies and regulations that foster low carbon growth and development. The Program will support the MEH in coordination with other ministries to lead improvements in land use planning and management guidelines, and clarifying roles in the regulation and enforcement of land use restrictions, through mainstreaming environmental considerations in other Program components. Regulation adjustment of the Law 2 of 1959 and the design of the Law for National Protected Areas System will be an important element of this effort, as will incorporating gender mainstreaming and the role of women in environmental conservation and climate change—an area that has been steadily gaining ground in international development that can positively impact policy and conservation decisions in Colombia. The Program will support these and other initiatives that emerge from the technical assistance environmental sub-agreement and technical cooperation agreement, activities also associated with the competitiveness and environment policy document.

**Background:** During 2010, the GOC made advances in the revision of the national policy on biodiversity and ecosystem services. The GOC currently has a draft policy document that needs to be reviewed and discussed in a comprehensive manner with stakeholders. The GOC issued Decree 2372, 2010, creating the National System of Protected Areas and CONPES 3860, 2010, which structures SINAP. The GOC has prepared a draft decree and law that partially regulates a payment scheme for water-related environmental services and has a policy draft document on Payment for Environmental Services.

The GOC also made progress in developing the National Climate Change Policy document prepared by the National Planning Department and the Ministry of Environment, Housing and Territorial Development. Additionally, the GOC prepared the "Draft Strategy for Colombia's Reduction of Emissions from Deforestation and Forest Degradation REDD," under the leadership of the Climate Change Mitigation Group of the Ministry of Environment, Housing and Territorial Development in early 2010, as part of a strategy to reduce deforestation in the country, which is consistent with the national forestry development plan and national climate change policy draft. It is consistent with the framework of cooperation on climate change, which is supported by three pillars of the national climate change policy draft: 1) the national development plan for low carbon emissions; 2) the national plan for climate change adaptation currently in development, and 3) promotion of market mechanisms as an efficient means of reducing emissions in developing countries. The REDD strategy works in coordination with the national forestry regulations to ensure a strong foundation in sustainable forest management and governance that helps manage conflicts over use decisions and access to forest resources.

The GOC has made progress in the design of a policy document on competitiveness and environment. An ongoing evaluation of the hydro-meteorological network will provide important elements to design a national policy to organize and develop the network as a strategic step to achieve water policy and climate change adaptation goals.

**Approach:** The Public Policy Program will take into account the progress made by the USAID MIDAS Program, which has allowed not only identification of the main legal and institutional reforms to enhance the effects of climate change and promote conservation activities and biodiversity forests, but the necessary interface with other components to effectively influence the design of environmental policies that permeate land policies, decentralization, and those policies aimed at improving the incomes of Afro-Colombian and indigenous communities.

To do this, the Program will gather information from the draft policy documents prepared by the GOC and the results of pilot programs in the CELI regions to feed into regulations and policy proposals and promote public discussion and participation in international seminars and regional and local workshops to facilitate the participation of all actors and sectors involved. This will allow a more appropriate design of legal and regulatory reforms, and economic instruments that make possible the objectives of environmental policies such as environmental services schemes, strategies for reducing emissions from deforestation and degradation, protection, conservation, monitoring and use of biodiversity and the involvement of ethnic minorities, especially indigenous peoples, in the benefits of these strategies.

**Synergies:** In developing each of the activities, the environmental component will maintain a close relationship with 1) the Land Policy Component, specifically for viable strategies formalization, restitution and titling that do not affect the protected area system; 2) the Decentralization Component in relation to the impact of the environment and environmental resources in the definition of land use and land management, and strengthening local capacities in the exercise of the functions and environmental responsibilities; and 3) the Conflict-Affected Populations Component, to the extent that the component seeks to provide alternatives that will permit the improvement of livelihoods among Afro-Colombian and indigenous populations that depend on renewable natural resources for their livelihoods.

Additionally, the environmental component will coordinate with other environmental programs as a product of U.S. Government cooperation with the GOC, such as Climate Change, Protected Landscapes, among others, in order to support the GOC in a comprehensive manner and optimize human, logistical, and financial resources of foreign aid.

## **MAJOR ACCOMPLISHMENTS:**

At the request of the Ministry of Environment, Housing and Territorial Development (MAVDT), the Program assisted the GOC in the development of studies to support the institutional reform for the creation of the new Environmental and Sustainable Development Ministry, and supported through recommendations modifications of the climate change policy. Also new supports were established with the ministry to design three new policies: Urban Renewal policy document, Public Space policy document, and Sustainable construction and urban development policy document.

Provided recommendations and to support the institutional reform of the MAVDT and the creation of the new ministry of environment and sustainable development. Recommendations were included under two different performance indicators. One related to a document referred to as the Strategic Plan or Technical Document with general strategy and guidelines supporting the institutional reform, and another document with inputs supporting the separation and reform of the Ministry. The first one is really an input for the second one as part of its technical study.

The Technical Document provides a general vision and guidelines which express the necessity of building a new and modern ministry that will attend climate change and risk management issues in response to the observed new conditions of extreme climate variability, as well as a Ministry capable of dealing with every day bigger pressures of economic development activities on ecosystems, through a renewed capacity to discover a better understanding and guide Colombian society towards a path of high level of growth, development, and sustainability. Guidelines to guarantee this capability were suggested. Better information for decision-making, both sectoral and environmental, strengthening of public policy formulation, and high qualification of public servants were among other solutions were recommended.

The team provided recommendations for the design of the climate change policy. This policy document was approved with modifications during the CONPES session of July 14, 2011. This document has not yet been uploaded on the National Planning Department due to the modifications suggested during this meeting.

## **OPPORTUNITIES AND CHALLENGES**

Revision of the Work Plan with the GOC and USAID. As a result, two new opportunities for the Program to work on the implementation of policy documents to mainstream environment and climate change were agreed upon: Urban Renewal and Environment policy document, Public Space policy, integrating environmental and climate change topics, and Urban Sustainable Development integrating also climate change variables.

This support will start with the design of the Public Space policy document. This document is expected to be drafted with the support of the Program in September 2011. The specific process supported will be the inclusion of an environmental and climate change perspective but also will support institutional and other general issues of the policy that have to be adjusted, especially those that convey an effective inclusion of environmental variables.

It is expected that in the next two months, the first general structure of the sustainable urban policy will be drafted. These two policies would start a first generation of explicit urban policy documents through CONPES. Former documents have included some environmental issues but as accessory topics. Specifically the urban sustainable development policy will address in its policy concept, objectives, guidelines, institutional framework and financial and implementation indicators, explicit environmental issues.

Finally the major risk/challenge in the near future will be one of continuity related to the Program environmental subcomponents as planned. This is due to the definition of the new Minister of Environment once the Ministry of Environment and Sustainable Development is established.

## **RESULTS AND ACTIVITIES:**

### **Result 6.1 Improved Monitoring, conservation and protection of biodiversity**

During this quarter a new outline for the new biodiversity policy was developed. A compilation of international examples of biodiversity policies is ongoing, which in turn could serve as an input for the structure of the new policy document. This document shall be presented to the GOC next quarter for discussion. This policy document already has a GOC draft, but the new structure has to be approved by the GOC through the Director of Ecosystems of the Ministry of Environment, Housing and Territorial Development.

The head of the Department of Ecosystems is in charge of the Natural Forest Policy document. During July the general content and the specific support will be redefined at the request of the Director. The draft of the policy is planned to be presented to the Ministry the last quarter of 2011.

### **Result 6.2 Support Implementation of the Policy that Defines the National Protected Areas System (SINAP)**

This component has undergone strong debate and redefinition by the GOC through the National Natural Park Special Unit (UAESPNN). Initially, support was agreed upon for developing an instrument for harmonizing categories for protected areas. This instrument was thought to be applied and adjusted in 12 Regional Environmental Authorities (Corporaciones Autónomas Regionales).

For the UAESPNN, this process, and the related process of negotiating a new protected areas law (another performance indicator), was highly risky from a political point of view. In the past the debate on the construction of a national protected areas system was very controversial. Additionally, during the last few months under President Santos' supervision, a debate on the Regional Environmental Authorities reform is underway. This debate has tightened the relationship between the national government agencies and the regional ones.

Because of this context, the Natural Parks Unit (UAESPNN) decided to develop the process of harmonization of protected areas categories with its own public servants to avoid any possibility of political misunderstandings that could limit their capacity to negotiate the law of protected areas. After this discussion they are still asking for support to draft a general procedure for all the Regional Environmental Authorities. In this sense the performance indicator remains the same, but support will not be given for the harmonization process but just for analyzing how this harmonization process was developed and propose a procedure. New areas for support were discussed and defined during the last weeks in detail. These areas are:

- (1) developing a clear procedure in one department (one that has already agreed a protected areas category harmonization process) as well as a strengthening support to modify all the territorial ordainment instruments. This is a necessary step after the harmonization process.
- (2) Support for analyzing the status of conservation of the new categories defined after the harmonization process was undertaken. If a former category was redefined into a specific new one, a

technical visit must establish if this new category makes sense or not. For example, if a protected area is redefined a Natural Park, this technical visit will establish if the area complies with natural park categorization or not.

(3) Support for methodological issues related to marine and coastal protected areas vis a vis the National Protected Areas System Law and to specifically support the process above described for marine and coastal protected areas.

For the above support the Program already has a draft for terms of reference, and UAESPNN has selected possible consultants.

Finally, the processes to define terms of reference and consultants for *Naturalmente Colombia*, was agreed upon during the last week of June. Once this decision is made by all the participants in this GOC initiative, the selection of the consultant or consultants will be defined and the Program will proceed to contract the selected one.

### **Result 6.3 Support Actions to incorporate climate information into public policy decision making**

During the quarter, the head of the Environmental Studies Deputy Directory of the Meteorological and Environmental Studies Institute, IDEAM, approved the terms of reference as well as the consultants to support the design of the policy document on a hydro-meteorological network and related climate services. During this quarter the terms and the selected consultant were discussed in a detailed manner. The contractual process is expected to initiate soon.

Terms of reference for risk management of flooded areas were drafted during Q2 and a consultant was selected by the Vice-Ministry of Environment. Subsequently the request for the Program to support the Vice-Ministry in the reform of the institution was approved by USAID, and the same consultant was selected as a part of the team that is supporting the reform, this activity is scheduled to start in August 2011.

### **Result 6.4 Support Policy design to develop peccs**

During the quarter an outline of the REDD+ document was drafted and several documents were compiled to develop the first draft of the policy. This document was to be presented to the Ministry during the quarter, but the Environmental Policy Component team was focused on the undergoing institutional reform, which in turn could redefine the institutional framework for the policy document. Additionally, the policy document on climate change has to be approved which will also impact this document. As a result, activities to support the design of the REDD+ documents will continue in Q4.

### **Result 6.5 Support GOC in climate change policy initiatives**



In the coming weeks the official draft of the climate change policy will be discussed by the GOC. The National Planning Department has invited the Program to a “pre-CONPES” meeting next Tuesday, which will determine if the document will go to the CONPES meeting for final discussion and/or approval, or if a new revision will be requested. If the document is approved, it will be taken to CONPES shortly afterwards. The related decree to create the National Climate Change System will start to be formulated once this document has the CONPES approval.

Additionally, the terms of reference and the consultants selected for the Low Carbon Development Study were completed this quarter. The study, guided by the World Bank, was postponed to be finalized in December, 2011.

THE terms of reference for the coordination activities of the Third National Communication were defined and the consultant selected. One of the first tasks of this consultant will be defining his technical assistant and guiding the adjustment of the methodological framework with national agencies. The second phase will include a regional debate of the methodology and final adjustments to the strategy.

#### **Result 6.6 Implementation of the environmental sub-agreement of the US-Colombia Free Trade Agreement**

The specific scope of the terms of reference and the policy document on competitiveness and environment is under discussion. The Director associated with this topic, the head of the Sectorial Environmental Directory of the Ministry of Environment, Housing and Territorial Development has been recently changed. The definition of the new Director took some time and very soon, the terms of reference and the scope of the policy document will be agreed upon with the new Director.

The scope of the policy document will then need to be agreed upon by the Vice-Minister of Commerce and Industry and Tourism. The Vice-Minister, Gabriel Duque, has already been contacted but the meeting will be held with USAID after the meeting with the new sectorial environment Director takes office.

#### **Result 6.7: Institutional reform - Ministry of Environmental Sustainable Development.**

During this quarter support for the Ministry of Environment, Housing and Territorial Development was given through the creation of two documents. The first document, on the strategies and guidelines for the institutional reform, and the second one, inputs for the separation and reform of the Ministry, were both presented by the Public Policy Program for final approval. After the Program’s revision, final adjustments and submission to the Ministry will be undertaken.

The documents define the general structure of the Ministry and its related functions. These documents include: a strategy document, mission objectives, processes, operational model, internal structure of the Ministry, and draft decree for the establishment of the new Ministry.

#### **SUMMARY OF PERFORMANCE STANDARDS ACHIEVED**

All of the performance standards scheduled for this quarter have been pushed back to Q4 as a result of the GOC's timetable. The two performance standards for 6.7 which were scheduled for Q4 were achieved this quarter.

- 1 Document w/ general strategy and guidelines supporting the institutional reform.
- 1 Document w/ inputs supporting the separation and reform of the Ministry.

## **FOURTH QUARTER PRIORITIES**

### **Result 6.1 Improved Monitoring, conservation and protection of biodiversity**

First draft of the National Biodiversity policy will be sent to the Ministry of Environment.

### **Result 6.2 Support Implementation of the Policy that Defines the National Protected Areas System (SINAP)**

A draft of an instrument which contains a general procedure for the harmonization of protected areas categories. This performance indicator will be accomplished partially for the reasons explained above, but initial understanding of the instrument containing the procedure will be drafted.

### **Result 6.5 Support GOC in climate change policy initiatives**

Decree creating the National Climate Change System. This decree under the lead of the Ministry of Environment with the support of the National Planning Department will be drafted and issued.

### **result 6.6 Implementation of the environmental sub-agreement of the US-Colombia Free Trade Ageement**

A new policy draft on competitiveness and environment shall be sent to the ministries of environment and commerce, industry and tourism.

## **PROGRAM MANAGEMENT AND ADMINISTRATION**

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During the third quarter the Program moved from its temporary start-up office to its permanent Program offices. The expansion to a 573 meter office space allowed for full set-up of employee and consultant work spaces, the fusion of the land team with the rest of the Program team, sufficient space for in-house meetings and events, and full server set-up.

### **Procurement**

AECOM hired a security firm to evaluate the security needs for the new office space. Based on the recommendations that came out of the evaluation, AECOM procured a 3-part security system (closed circuit TV system, access control system, and monitored intrusion and fire detection system) with a stationary guard.

AECOM also procured approximately \$36,000 in IT equipment and \$7,500 in furniture for its new office space, in accordance with the Program procurement plan.

AECOM presented an adjusted procurement plan to USAID at the end of the Q3 that included equipment transferred from the ADAM and MIDAS programs and newly identified needs.

### **Recruitment/Contracting**

AECOM hired 29 consultants during Q3 and approved the hiring of 16 consultants through sub-contractors.

Total commitments under AECOM Grants & Subcontracts budget line reached approximately US \$942,722 (COP\$ 1'696.900.000).

During Q3 the AECOM Contracts and Grants Department committed 13 new instruments: 1 IQC, 3 New Fixed Price Contracts, and 9 Task Orders.

### **Operations**

The USAID Public Policy Program initiated operations in its new office space on May 20th. Office security system and protocols were finalized and operational during second week of June.

The Program hosted two in-house events in May and June, and during the quarter hosted 17 external events/formal meetings.

### **Financials**

On April 29th, the Public Policy Program received a budget redirection letter from USAID instructing the program to reprioritize contract activities from five-years to three-years and to redistribute the total CLIN amounts as needed. The Program submitted the new program work plan and the revised three year budget in May, and it was subsequently approved by USAID.

The Program has spent \$3,574,480 to date and anticipates expenditures to continue to rise rapidly in Q4.

#### **Key Q4 Activities:**

A security firm will be selected to evaluate the Program's technical work and provide recommendations for security measures related to program implementation and travel. The Program will be implementing new processes and procedures which will help to increase the burn rate of the Program and ensure effective and efficient contracting and hiring processes.

## ANNEX I: QUARTERLY FINANCIAL REPORT

	a	b	c	d	=b+c+d	=a-b-c-d
<b>Cost Line Items</b>	<b>Budget</b>	<b>Incurred Thru Last Quarter</b>	<b>Incurred this Quarter</b>	<b>Accruals</b>	<b>Total Expended</b>	<b>Remaining</b>
1. Land Policy	\$6,182,505	\$73,342.24	\$86,506.55	\$509,317.00	\$969,165.79	\$5,213,339.21
2. Access to Finance	\$2,773,119	\$109,821.46	\$114,196.45	\$129,258.00	\$353,275.91	\$2,419,843.09
3. Policies towards vulnerable populations	\$2,958,687	\$80,026.61	\$63,796.18	\$302,125.00	\$445,947.79	\$2,512,739.21
4. Support for Decentralization and Improved Economic Management	\$4,830,261	\$314,637.43	\$285,457.31	\$415,461.00	\$1,015,555.74	\$3,814,705.26
5. Labor Issues	\$1,833,330	\$103,377.57	\$62,223.38	\$97,574.00	\$263,174.95	\$1,570,155.05
6. Flexible Response Activities (including clean energy)	\$2,603,282	\$132,825.13	\$70,483.83	\$105,892.00	\$309,200.96	\$2,294,081.04
<b>Total Estimated Cost</b>	<b>\$21,181,186</b>	<b>\$814,030.44</b>	<b>\$982,663.70</b>	<b>\$1,559,627.00</b>	<b>\$3,356,321.14</b>	<b>\$17,824,864.86</b>
Fixed Fee	\$1,306,370	\$52,912.00	\$63,873.06	\$101,374.00	\$218,159.06	\$1,088,210.94
<b>Total Estimated Cost Plus Fixed Fee</b>	<b>\$22,487,555</b>	<b>\$866,942.44</b>	<b>\$1,046,536.76</b>	<b>\$1,661,001.00</b>	<b>\$3,574,480.20</b>	<b>\$18,913,074.80</b>

## ANNEX II: PERFORMANCES STANDARD CHART

Performance Standard	Q1	Q2	Q3	Achieved to Date	Total in Contract
Input to National Development Plan	4	8	2	14	14
Input to CONPES Document of equivalent	0	0	1	1	13
Inputs to Laws	1	2	7	10	16
Inputs to Decrees/Regulations	4	3	1	8	50
Institutional Reforms	0	0	0	0	46
Policy Instruments Designed and Implemented	1	2	2	5	88
Seminars	0	1	2	3	25
Pilot Programs Assistance	0	2	7	9	33
Workshops	1	9	22	32	147
Manuals & Guidelines	0	0	0	0	54
Trained Personnel	0	0	0	0	85 labor inspectors
Resources Leveraged by Pilot Programs over LOP	0	0	0	0	\$220M

## ANNEX III: DELIVERABLES CHART

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
1.1	Input to CONPES Document of equivalent	1 Document on land restitution policy was supported: Enfoques y Propuestas de la Política de Tierras para la Población Desplazada.8 (CONPES or Equivalent Document)	April	ARD- Jhenifer Mojica, Catalina Ceballos, Yesid Castro, Javier Mendoza	Ministry of Agriculture Accion Social Mesa Nacional de Tierras
1.1	Inputs to Laws	1 Law supported: Law 1448 of 2011 or Victims' Law	June	ARD- Jhenifer Mojica, Catalina Ceballos, Yesid Castro, Javier Mendoza, Alejandro Aponte, Manuel Ramos, Guillermo Chahin, Juan Manuel Charry	Ministry of Agriculture  Ministry of Interior and Justice
1.2	Workshops	1 Workshop on land formalization	April	ARD- Gloria Barney, Yesid Castro, Vanessa Martinez, Jenny Rojas, Silvia Salamanca, Catalina Ceballos, Indira Onate, Diana Ramirez	Ministry of Agriculture
1.8	Weekly Reports and monthly briefer	10 weekly reports containing updates on the component's activities, relevant events, and news	Every Week	AECOM & ARD & Yesid Castro, Jhenifer Mojica, Gloria Barney, Patricia Henao, Eilleen Barber, Adriana Velez, Hacercol - Santiago Tobon	USAID

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
2.1	Seminars	2 Seminars on "Modern Mechanisms for Accessing Credit,"	Bogota 6-2-11 Medellin, 6-3-11	Marulanda Consultores & Diana Parra-AECOM	Superintendencia de Sociedades
2.3	Workshops	1 workshop on mobile banking to promote new distribution channels	4-26-11	Marulanda Consultores	Banco de Oportunidades Accion Social
2.4	Pilot Programs Assistance	Design and implementation of 7 pilot programs to pay Familias en Acción subsidies, using mobile phones as part of the technical assistance provided to Acción Social and BDO	June 2011	Marulanda Consultores	Accion Social  Banco de Oportunidades  Ministry of Treasury
2.4	Policy Instruments Designed	Design of a policy instrument for BDO to promote access to micro- life insurance for Red Unidos beneficiaries	May 2011	Marulanda Consultores	Banco de Oportunidades
2.7	Workshops	The Program held a workshop on savings for 30 people	6-13-11	Marulanda Consultores	Banco de Oportunidades
3.1	Inputs to Laws	Input for Victims' Law	June	ARD- Jhenifer Mojica, Catalina Ceballos, Yesid Castro, Javier Mendoza, Alejandro Aponte, Manuel Ramos, Guillermo Chahin, Juan Manuel Charry	Ministry of Agriculture  Ministry of Interior and Justice
3.4	Inputs to Laws	Input for Affirmative Action Law for Afro-Colombians	June	Econometria – Alvaro Reyes, Carolina Giraldo	Ministry of Interior and Justice
4.1	Input to Laws	1 input to the National Development Plan Law	April	Santiago Tobon-Hacercol	Ministry of Agriculture



CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
					DNP
4.1	Inputs to Laws	1 Constitutional Reform: National Royalties System	June	Atenea	Treasury Ministry
4.1	Workshops	1 Workshop implemented with investment bankers	June	Atenea and AECOM Corporate-Planning, Transportation	Treasury Ministry
4.2	Inputs to Decrees/Regulations	1 regulation: Directiva Presidencial 06 del 2 de febrero de 2011, on the Strategic Revision Process of the National Consolidation Policy	April	AECOM- Lina Ibanez and Diego Bautista	Presidencia - Alta Consejero para la Seguridad
4.2	Workshops	3 workshops : Subcommittees- Institutional Development, Performance and management indicators in Consolidation zones, land zoning and land management	May	Economia Urbana & AECOM Andres Podlesky, Luis Fernando Cepeda, Helga Hernandez, Eduardo Gonzalez, Juan Antonio Osorio, Catalina Morales	Presidencia - Alta Consejero para la Seguridad
4.3	Inputs to Decrees/Regulations	1 Decree on Budget Modernization	June	Economia Urbana – Ana Maria Cadena, Maria Consuelo Rodriguez	Treasury Ministry
4.3	Workshops	6 Workshops to compose the national general budget	June	Economia Urbana – Ana Maria Cadena, Maria Consuelo	Treasury Ministry

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
				Rodriguez	
4.4	Workshops	1 in Municipal Regime and 1 in Departmental regime	May	Economia Urbana – Jaime Castro	Ministry of Interior and Justice
4.4	Inputs to Laws	2 Laws: Municipal Regime and Departmental Regime	June	Economia Urbana – Jaime Castro	Ministry of Interior and Justice
4.4	Input to National Development Plan	1 Input to the national development plan: the <i>Contratos Plan</i>	April	AECOM- Diego Bautista and Lina Ibanez	DNP
4.4	Workshops	1 Workshop on public procurement, infrastructure and public and private partnership.	June	AECOM Corporate- Planning, Transportation, Camilo Soto, Cesar Gomez	Ministry of Transportation DNP Treasury Ministry
4.4	Workshops	1 Workshop in social services in consolidation zones.	May	Economia Urbana – Andres Podlesky	Ministry of Social Protection Presidencia - Alta Consejero para la Seguridad
4.7	Workshops	4 workshops: 1 on national and local best practices; 1 on international best practices; 1 with the technical officials of the Territorial Direction of the NPD for structuring the capacity-building program; 1 focus group with Mayors	May & June	Economia Urbana – Viviana Barbarena, Felipe Cortez, Enrique Maruri, Sandra Rincon	DNP
5.1	Workshops	One workshop- Labor Inspection	6-26-11	AECOM - Jaime Tenjo, Paola Beltran,	Presidencia – Alta Consejera de

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
				Jose Herrera, Marcel Silva	Buen Gobierno
5.5	Input to National Development Plan	National Development Plan including the unemployment protection system	April 2011	AECOM- Jaime Tenjo	DNP
6.7	Policy Instruments Designed and Implemented	1 Document w/ general strategy and guidelines supporting the institutional reform.	June 2011	Fundacion Creamos	Vice-Ministry of Environment
6.7	Policy Instruments Designed and Implemented	1 Document w/ inputs supporting the separation and reform of the Ministry.	June 2011	Fundacion Creamos	Vice-Ministry of Environment